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CONTENTS

NOTICE TO READERS: • indicates material not disseminated in electronic form.

ALBANIA

Bush Offer Seen as 'Historic Decision' for Peace *[ATA]* 1
Alia Greets PRC President on National Day *[ATA]* 1
Legislature Approves Law on IMF Membership *[Tirana Radio]* 1
Founding of Albanian Liberal Party Authorized *[Tirana Radio]* 1
Radio-Television Union Holds 1-Hour Strike *[Tirana Radio]* 2
Independent Unions Reject Strike Law *[Tirana Radio]* 2

BULGARIA

President Zhelev Meets French Minister Guigou *[BTA]* 3
Popov Talks With Romania's Pop About Pollution *[BTA]* 3
Tomov Returns From Germany, Discusses Kozloduy *[Sofia Radio]* 3
Reportage on Vulkov Activities at United Nations 3
Vulkov Makes Statement on SFRY *[BTA]* 3
Vulkov Attends Official Dinner *[BTA]* 4
Interior's Boyadzhiev on Tasks, Candidacy *[TRUD 25 Sep]* 4
Group Urges Recognition of Macedonian Independence *[BTA]* 6
Ludzhev Accuses BSP of 'Misleading' USSR *[BTA]* 6
Legislature Rejects Turkish in Public Schools *[BTA]* 6
Supreme Court Verdicts on DPS, BSP Property *[Sofia Radio]* 6
SDS Delegation Leaves for Talks in Moscow *[Sofia Radio]* 7
Union of Free Democrats Leader Kalchev Assaulted *[BTA]* 7
Election Press Center Established on 1 Oct *[BTA]* 7
Government To Establish Tax Administration *[BTA]* 7
Council of Ministers Discusses Currency Affairs *[BTA]* 8
Minister: Foodstuffs Will Last Only Until Spring *[ANTENI 25 Sep]* 8

CZECHOSLOVAKIA

Havel on International Ties, Bush's Initiative *[CTK]* 9
Havel Tops List of Most Popular Politicians *[CTK]* 9
Carnogursky Views Sovereignty, Referendum Issues *[Bratislava Radio]* 10
Slovak Party Chairman on Sovereignty Declaration *[Bratislava Radio]* 12
94 Percent of Moravians Support Common State *[CTK]* 12
Government To Buy Some Arms Industry Stocks *[CTK]* 12
Dlouhy on Economic Reform Strategy, Risks *[HOSPODARSKE NOVINY 25]* 13

HUNGARY

Spokesman: EC Observers Welcome Soon As Possible *[AFP]* 18
SFRY Requests Easing Border Crossing Controls *[Budapest Radio]* 18
Implications of SFRY Economic Collapse Viewed *[Budapest Radio]* 18
Spokesman on UN's SFRY Decision, Economy *[MTI]* 18
Foreign Ministry Welcomes Bush Arms Proposals *[Budapest Radio]* 19
MAGYAR HIRLAP Views Speech *[30 Sep]* 19
Envoy Interviewed on Soviet Treaty Preparations *[Budapest Radio]* 20
KGB 'Witness' Discusses Former Activities *[MAGYAR HIRLAP 25 Sep]* 20

POLAND

Walesa Criticizes Closed Western Markets *[Warsaw Radio]* 22
Government Satisfied With EC Compromise *[Warsaw Radio]* 22
Skubiszewski Ends U.S. Visit, Views Baker Talks *[PAP]* 22
'Urgent Issues' in Lithuanian Relations Viewed *[PAP]* 22
Paper Reports Number of Soviet Troops Remaining *[PAP]* 23
Balcerowicz Treated for 'Nervous Exhaustion' *[Warsaw Radio]* 23
Zarnowiec Nuclear Power Station Contract Canceled *[Warsaw TV]* 23
Supreme Court Rejects 'Party X' Appeal *[Warsaw TV]* 23
Opinion Polls Shows Electorate's Party Shifts *[Warsaw Radio]* 24
Progress of Enterprise Privatization Reported *[Warsaw TV]* 24

ROMANIA

Prime Minister Roman Views Government Crisis *[Paris LIBERATION 30 Sep]* 25
Senator Voican-Voiculescu Addresses Parliament *[Bucharest Radio]* 26
Verdet Responds to Speech *[Bucharest Radio]* 31
Magureanu Answers Deputies' Questions on Crisis *[Bucharest Radio]* 31
Defense Minister Spiroiu Addresses Parliament *[Bucharest Radio]* 33
Mining Trade Union Calls For Strike Suspension *[Bucharest Radio]* 35
Ratiu Opposes Opposition Boycott of Parliament *[ROMPRES]* 36
Extraparliamentary Opposition Wants New Elections *[ROMPRES]* 36
Parliament's Constituent Assembly Resumes Session *[ROMPRES]* 36
Civic Alliance Demands Inquiry Into Unrest *[ROMPRES]* 36
Iliescu Holds Consultations With Party Leaders *[ROMPRES]* 37
Ceontea Assesses Talks *[ROMPRES]* 37
Iliescu Appoints Stolojan To Form New Cabinet *[ROMPRES]* 37
ROMPRES Profiles Stolojan 37
AFP Profiles Stolojan 37
Iliescu Issues Statement *[Bucharest Radio]* 38
Stolojan Interviewed *[Bucharest Radio]* 38
PSDR: Stolojan 'Good Choice' *[ROMPRES]* 39
Iliescu Rejects Roman Assessment of 'Putsch' *[ROMPRES]* 39
Roman To Remain as Leader of FSN *[ROMPRES]* 39
Government-Trade Union Subcommission Meets 1 Oct *[ROMPRES]* 40

YUGOSLAVIA

Federal

SFRY Presidency Warns of 'Imminent War Danger' *[TANJUG]* 41
Vice President Kostic Claims Peace Depends on Tudjman *[TANJUG]* 42
Assembly's Federal Chamber To Hold Session 10 Oct *[TANJUG]* 42
Absences Cause Presidency Session Delay *[TANJUG]* 42
Mesic Protests Kostic's 'Illegal' Presidency Session *[Zagreb Radio]* 42
Supreme Command Headquarters Replies to Tudjman Letter *[TANJUG]* 43
Markovic Letter to Milosevic Criticized *[TANJUG]* 43
Defense Secretariat Denies High Command Dismissals Rumor *[TANJUG]* 44
Croatian Supreme Council Refutes Armed Forces' Warning *[Zagreb Radio]* 44
Army Command Statement Concerning Dubrovnik *[TANJUG]* 44
Mesic Predicts 'Unimaginably Fierce' Conflict for Serbia *[RZECZPOSPOLITA 25 Sep]* 44
Backa Palanka Bridge Linking Serbia, Croatia Closed *[TANJUG]* 45

International

EC To Widen Observers' Mandate to Bosnia-Hercegovina *[AFP]* 46
Defense Secretariat Statement on Red Cross Incident *[TANJUG]* 46
Petric To Head Slovene Mission in U.S. *[Ljubljana Radio]* 46

Slovenia

Slovene Assembly Session on Independence *[TANJUG]* 46
Slovene Presidency Appeals for Cessation of Hostilities *[TANJUG]* 48
Defense Minister Jansa Discusses Defense After 8 Oct *[Ljubljana Radio]* 49

Croatia

Tudjman Replies to Supreme Command Ultimatum *[Zagreb Radio]* 49
Vienna TV Interviews Separovic on 7 Oct Independence *[Vienna ORF]* 50
Assembly Bans Exports, Amends Defense Law 1 Oct *[TANJUG]* 51
Bosnia Asked To Prevent Army's Use of Territory *[TANJUG]* 51
Soldiers' Parents, YPA Volunteers Depart for Croatia *[TANJUG]* 52
Zagreb Denies Agreement on Civilians Employed by Military *[Zagreb Radio]* 52
Forces Respond to Artillery Attacks on Dubrovnik *[Zagreb Radio]* 52
Army Advances Toward Center of Vukovar *[Belgrade Radio]* 52
Osijek Experiences 'One of Worst Days' *[Belgrade Radio]* 52
Federal Army Captures Croatian Stronghold Near Okucani *[TANJUG]* 53
Croatians Push Back Infantry Attack on Eastern Vukovar *[Zagreb Radio]* 53
'Powerful Explosions' Shake Osijek *[Zagreb Radio]* 53
Army Ends Occupation of Brioni Islands *[Zagreb Radio]* 53
15 Army Soldiers Killed in Gorice Battle *[Zagreb Radio]* 54
Croat Forces Reportedly Hold 150 Hostage Near Okucani *[Belgrade Radio]* 54
Croatians Defending Vukovar Destroys 15 Tanks *[Zagreb Radio]* 54

Serbia

Albanian Students To Stage Daily Demonstrations *[TANJUG]* 54
Serbian Renaissance Leader Interviewed *[Budapest Radio]* 54
Serbian Assembly Starts 2d Regular Session *[Belgrade Radio]* 55
'Several Thousand' in Loznica Protest Army Draft *[Belgrade Radio]* 55
Novi Sad Military Command Calls for Volunteers *[TANJUG]* 55

Bosnia-Hercegovina

Casualties Reported in Clash Near Slano *[TANJUG]* 56
Dubrovnik Under Attack, Transformer Destroyed *[Zagreb Radio]* 56
Cannon Fire Continues Overnight *[Zagreb Radio]* 56
Offensive Continues *[Belgrade Radio]* 56
Fighting Reported Around Trebinje *[Sarajevo Radio]* 56

Macedonia

Concerned Over Presence of Serb Reservists *[Sarajevo Radio]* 56
Macedonian President Views Republic's Situation *[Budapest NEPSZABADSAG 26 Sep]* 57

Montenegro

Mobilizations, Refugee Aid Reported *[Belgrade Radio]* 58
Reservists Mobilized *[TANJUG]* 58

Bush Offer Seen as 'Historic Decision' for Peace

AU0110120191 Tirana ATA in English 1030 GMT 1 Oct 91

["Historic Decision Contributing to Peace"—ATA headline]

[Text] Tirana, October 1 (ATA)—The proposals of President Bush for drastic reduction of military arsenals are a broad initiative in the field of disarmament. It is clearly seen that they are quick response to the new situation created in Europe and throughout the world.

Cooperation to ensure stability, peace and general tranquillity desirable by the whole international community will replace general confrontation. The European peoples joyfully welcome it, because they know what tragedy the nuclear weapons may bring about.

By destroying the nuclear weapons the United States bring a great economic benefit to mankind, because it will change the destination of spending billions of dollars to overcome the dramatic economic situation of the whole eastern Europe. The moment has come for nuclear epoch be replaced by economic development and general prosperity.

Besides the European and world opinion, the Albanian public opinion welcomes with pleasure these measures for the reduction of nuclear arsenals hoping they have a positive impact not only in the new spirit of security and cooperation in Europe but also to overcome the difficulties our country is faced with on the road to democracy.

Alia Greets PRC President on National Day

AU0110141591 Tirana ATA in English 1100 GMT 1 Oct 91

[Text] Tirana, October 1 (ATA)—Ramiz Alia, president of the Republic of Albania, sent the following message of greetings to the president of the People's Republic of China, Yang Shangkun:

"On occasion of the your national day, the 42nd anniversary of the founding of the People's Republic of China, on behalf of the Albanian people and in my own name, I send you and through you to the Chinese people the sincere greetings and best wishes for their happiness and the constant progress and flourishing of the country.

"I avail myself of the opportunity to express my conviction that the friendship and cooperation in various fields of mutual interest between our two countries and peoples will develop non-stop."

Legislature Approves Law on IMF Membership

AU0110194291 Tirana Radio Tirana Network in Albanian 1700 GMT 1 Oct 91

[Report by Zamira Koleci—live]

[Text] After this morning's work by the legislative groups, the plenary meeting of the second session of the 12th Legislature of the People's Assembly began at 1700. It began by discussing the bill on the Republic of Albania's membership in the IMF, the International Bank for Reconstruction and Development, the International Finance Cooperation, the International Development Association, the Agency for the Guarantee of Multilateral Investments, and the International Center for the Guarantee of Multilateral Investments.

Finance Minister Genc Ruli presented to his colleagues a report on the importance and value of our country's membership in these international economic forums. As the session continued, Kastriot Islami, president of the People's Assembly Presidium, who chaired today's proceedings, invited the deputies to approve the bill in principle.

Qemal Disha, chairman of the Budget and Treasury Commission, presented his views on behalf of the commission that examined the bill. Deputies Kostandin Hoxha, Mitro Cela, and Panajot Barka spoke on behalf of the leglislative groups. Many other deputies also expressed their views on the bill under discussion.

After the bill was approved in principle, it was subjected to discussion article by article. The comments and suggestions were of a technical nature, and work on approving them proceeded quickly.

Deputy Fatos Nano suggested the formulation of a new article subjecting the Finance Ministry to parliamentary control, as regards the new relations that membership in these international economic organizations will involve.

The deputies approved this additional article, then approved the bill as a whole.

Deputies are now discussing technical problems of the conduct of People's Assembly sessions. The Assembly's proceedings are continuing.

Founding of Albanian Liberal Party Authorized

AU0110152091 Tirana Radio Tirana Network in Albanian 1430 GMT 1 Oct 91

[Text] Order No. 41/1 of the Justice Ministry, dated today, 1 October 1991, authorizes the creation of the Albanian Liberal Party [Partia Liberale Shqiptare]. This party has been created on the initiative of a group of intellectuals and young people and will strive to protect the political and economic interests of intellectuals. The chairman of the party's Initiating Commission is Mr. Valter File. This party is in conformity with the main constitutional dispositions and Law No. 7,502 On Political Parties, dated 25 July 1991.

Radio-Television Union Holds 1-Hour Strike

AU0110151491 Tirana Radio Tirana Network in Albanian 1430 GMT 1 Oct 91

[Text] The Independent Trade Union of Albanian Radio-Television declared a second one-hour strike between 1000 and 1100 this morning, waiting for a reply from the People's Assembly to its petition sent on 27 September. This petition supports an earlier petition and repeats the Independent Trade Union's demand for the immediate dismissal of the institution's directors Fatmir Kumbaro, Hysni Lica, and Thimi Nika and the recall of all other directors. On the basis of its statement published in the press, the Independent Trade Union demands the fulfillment of these demands by 5 October. After this date, the Independent Trade Union of Albanian Radio-Television will declare a strike.

Independent Unions Reject Strike Law

AU0110200891 Tirana Radio Tirana Network in Albanian 1900 GMT 1 Oct 91

[Text] A declaration by the Union of Independent Albanian Trade Unions [BSPSh] points out that this organization, since its creation, has had and will have only one aim: to contribute to the establishment of genuine democracy in Albania and to protect working people's rights and interests. The BSPSh declares that it will not recognize such antidemocratic laws as the Strike Law and, most recently, the Trade Union Bill. The BSPSh will protest over these issues to international organizations.

President Zhelev Meets French Minister Guigou

AU0110201691 Sofia BTA in English 1749 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—Today President Zhelyu Zhelev received Ms. Elizabeth Guigou, minister of European affairs in the French government and special envoy of France's President Francois Mitterrand. In his message to Dr. Zhelev Mr. Mitterrand raises some problems related to Bulgaria's association with the European Community. Ms. Guigou said that France was ready to start working on the proposal of Bulgaria's president for a Bulgarian-French agreement on cooperation immediately after the elections in Bulgaria.

The two sides discussed the situation in Yugoslavia.

Popov Talks With Romania's Pop About Pollution

AU0110091691 Sofia BTA in English 2127 GMT 30 Sep 91

[Text] Giurgiu-Ruse, September 30 (BTA)—At the town hall of Giurgiu today the Bulgarian Prime Minister Mr. Dimitur Popov conferred with the Romanian minister of the environment Mr. Valeriu Eugen Pop. The meeting was attended by the Bulgarian minister of the environment Prof. Dimitur Vodenicharov, the secretary of state for chemistry at the Romanian Ministry of Industry and Resources Mr. Valentin Ionita, experts and business executives, as well as the two countries' ambassadors. The meeting was held in connection with the exacerbated environmental problem in the area of Ruse and Giurgiu and the agreement which the Bulgarian and the Romanian heads of government reached in Sofia on September 12.

The sides agreed that the two countries' environment ministers will meet in Bucharest early next week and will sign an intergovernmental convention on the formation of a Coordinating Environmental Committee comprising Bulgarian and Romanian experts. It will take charge of, coordinate and carry out the two countries' action to solve environmental problems along their entire common border. The status, the mandate and the composition of the committee will be fixed by the convention.

The European Community will be asked in a memorandum to include its representative in the future committee and to supply measuring equipment and financing for the area, which the community is ready to do. The sides have drafted a letter to the executive director of the EC's PHARE [Economic Reconstruction Aid for Poland and Hungary] programme on the two governments' readiness to start the implementation of a master plan for the environmental rehabilitation of the Ruse-Giurgiu area.

The Romanian environment minister accepted the Bulgarian proposal that Bulgarian equipment be installed in Giurgiu. Agreement was reached on the introduction of a standardized methodology in the work of Bulgarian and Romanian experts and on their taking joint and separate readings of air pollution at any time of the day on the territory of both cities.

Following the two ministers' meeting in Bucharest on October 7 and 8, Mr. Eugen Pop will come to Ruse to explain to the public the measures which Romania is taking to cope with the environmental problem.

Romania granted Mr. Dimitur Popov's request to refrain from incinerating chemical waste.

Both sides agree that today's meeting in Giurgiu was a success and represented a practical step in the settlement of the ten-year-old environmental problem in the area. This is evidenced by the common understanding on a matter on which the sides long had irreconcilable differences.

Tomov Returns From Germany, Discusses Kozloduy

AU0110152491 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 1 Oct 91

[Text] A short while ago, Aleksandur Tomov, deputy chairman of the Council of Ministers, returned from Germany. He had been invited there by Minister of Environment Toepfer. The basic purpose of the visit was to determine the amount of the donation by Germany for the purchase of equipment for the Kozloduy Nuclear Power Plant. After negotiations that lasted several months, the result is known: $11 million will be invested in modernizing the third, fourth, fifth, and sixth reactors.

The second reactor of the Kozloduy Nuclear Power Plant will function until the end of the month instead of being shut down by 15 September, on the basis of Decision 219 of the Council of Ministers. With that decision, the Council of Ministers obliged the Committee on Power Supply to begin thorough repairs on the reactor, which, during the summer period, functioned at only 50 percent of its capacity.

The government accepted the committee's argument that the reactor was loaded and that, if it were shut down on 15 September, its fuel would be wasted. By the end of the month, the reactor will produce 430,000 kilowatt-hours of energy, which will bring $17 million.

Reportage on Vulkov Activities at United Nations

Vulkov Makes Statement on SFRY

AU0110084991 Sofia BTA in English 2032 GMT 30 Sep 91

[Text] United Nations, September 30 (BTA)—The statement on the situation in Yugoslavia, made by Mr. Viktor Vulkov, deputy prime minister and minister of foreign affairs of Bulgaria, has been circulated at the UN as an official document of the Security Council.

The document expresses grave concern over the aggravation of the situation and the dramatic events in Bulgaria's western neighbour as well as over the threat of a spread of the inter-ethnic armed conflicts to the border areas and even to the territories of neighbouring states and the possible surge of emigration.

Stressing the destabilizing effect of the events in Yugoslavia on "international peace and security both in a regional and in a far broader international aspect," the Bulgarian foreign minister said he feared possible "adverse effects on the democratic process and the deep-going reforms in Bulgaria." Stating Bulgaria's support for UN Security Council Resolution 713 of September 25, 1991, which he assesses as necessary and timely, the Bulgarian foreign minister said that Bulgaria expects the world body to take "prompt and effective measures" in harmony with the restored faith in its peace-making capabilities. "The Yugoslav crisis needs a settlement that would guarantee the peaceful future of all peoples in Yugoslavia, of its neighbours and of the entire Balkan Peninsula," the document reads.

Stressing Bulgaria's active part in setting in motion the respective CSCE mechanisms and its unreserved support for the efforts of the European Community in search of a peaceful settlement of the crisis, Mr. Viktor Vulkov said that the Bulgarian Government has embargoed the export, re-export and the transit traffic through Bulgaria of military equipment, weapons, ammunition and military and special-purpose materials for Yugoslavia.

In conclusion the document recalls some basic principles of Bulgaria's policy towards the crisis in Yugoslavia, put forth by President Zhelev on September 14, 1991: Recognition of the right to self-determination of all peoples living on the territory of Yugoslavia, including the right to establish an independent state by democratic means on the basis of political compromise and without a border revision by force.

"Bulgaria has never tried and will never try to avail itself of Yugoslavia's problems and will strictly adhere to this obligation. Fully aware of the necessity to safeguard the atmosphere of confidence and goodneighbour relations in the Balkans, we strictly abide by the principle of non-interference in the internal affairs of Yugoslavia. We are trying to show maximum restraint in this period of tension and unpredictability. What is more, despite the high tensions in Yugoslavia, so far Bulgaria has refrained from building up its armed forces along the common border," the document points out. It flatly denies the allegations by certain circles in Belgrade that Bulgaria is involved in the events in Yugoslavia.

Vulkov Attends Official Dinner

AU0210090891 Sofia BTA in English 2112 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—Mr. Viktor Vulkov, Bulgaria's deputy prime minister and minister of foreign affairs, attended an official dinner given by UN Secretary General Javier Perez de Cuellar in honour of the heads of the delegations to the 46th Session of the UN General Assembly. The participants discussed the work of the session and the UN activities at the present stage of the development of international relations.

Mr. Vulkov met with Sheikh Muhammad Bin-Mubarak Bin Hamid AL KHALIFAH, minister of foreign affairs of Bahrain. The two ministers discussed the establishment of diplomatic relations between the two countries and the opportunities for contacts in different spheres.

Mr. Vulkov had a meeting with Mr. Petr Kravchenko, minister of foreign affairs of the Republic of Belorussia. The two ministers discussed the political situation in Bulgaria and Belorussia and the practical steps that should be taken for the promotion of bilateral relations.

Mr. Vulkov was received by Mr. Leonid Kravchuk, chairman of the Supreme Soviet of the Ukraine. The sides exchanged views on the situation in the two countries. Mr. Vulkov familiarized Mr. Kravchuk with the arrangements for the forthcoming elections in Bulgaria and the characteristics of Bulgaria's peaceful transition to democracy. Mr. Vulkov and Mr. Kravchuk discussed the relations between the two countries and agreed that there are favourable conditions for the promotion of bilateral cooperation. The two ministers considered some current international problems.

Interior's Boyadzhiev on Tasks, Candidacy

AU3009143391 Sofia TRUD in Bulgarian 25 Sep 91 p 3

[Interview with Major General Todor Boyadzhiev, secretary of the Ministry of Interior in charge of international cooperation, Interpol, and relations with society and the mass media, by Dimitur Statkov; place and date not given: "Policemen of All Countries, Unite!"]

[Text] [Statkov] You have worked for a long time at the Ministry of Foreign Economic Relations and the Ministry of Foreign Affairs. You also had two terms of service as a diplomat in the United States. However, in the last year you transferred your activity to the domestic "front." Is this not strange?

[Boyadzhiev] On the contrary. Every Ministry of Interior has its international activity related first of all to issues of national security. However, for many years this type of activity was incorrectly associated in our country with only the Ministry of Defense and the Ministry of Internal Affairs. National security includes all political dimensions—both domestic and international—as well as economic and social relations, issues of the social sphere, the nation's ethnic problems, ecological issues, and so forth. I do not want to contradict opinions of other people, but I think that we must quickly work out a doctrine on this issue. It is especially important to refrain from covering this doctrine with secrecy. For example, every year the U.S. President submits

to the Congress the annual strategy on the national security doctrine, which afterward is published officially.

As far as the priorities of our ministry's international activity are concerned, they could be arranged in the following order of importance: First, we must develop relations with the Balkan countries because one cannot choose his neighbors but must live in peace with them. Being an integral part of Europe, our relations with Europe as a whole come in second place. However, our relations with Europe must be properly coordinated with our relations with other countries.

[Statkov] Recently, the impression emerged that we are seeking another "big brother" in the person of another superpower.

[Boyadzhiev] I understand that the thought that, under the new conditions, we could wobble into the opposite extremity alarms many people. This could result in the emergence of anti-American moods, something that could only damage our interests. Therefore, I must categorically state that the Ministry of Internal Affairs is open to all on an equal and a mutually beneficial basis. Simultaneously, we know that crime in the East European countries is one of the most serious threats for our country. The existing infrastructure and our long-lasting contacts with the former socialist countries create favorable conditions for better work by our criminal department in those countries, rather than in the West. Therefore, we not only do not want to neglect our contacts with the former socialist countries but we also seek active cooperation with their relevant ministries and organs. The delay in developing bilateral relations with the USSR is more significant. This could be explained by the delay in their internal reform, including the reform in their security organs. After 10 November, our relations with the USSR Ministry of Internal Affairs, including the KGB, were stripped of their character of communicating vessels. The existing agreements were quashed. Obviously, now, after the unsuccessful coup, which served as a catalyst in changing the Soviet power structure, the development of our relations will gain momentum. Furthermore, now we are really concerned with the fact that, after opening the Soviet borders, our country will attract the Soviet criminal elements, who already travel throughout the world.

[Statkov] The average Bulgarian continues to think that the changes in your ministry mostly represent empty words....

[Boyadzhiev] My personal impression is that the reform within the Ministry of Internal Affairs is assessed more objectively abroad than in Bulgaria. I base this impression on my talks with Mr. Schifter, U.S. assistant secretary of state for human rights and humanitarian affairs; Mr. Kamman, U.S. deputy assistant secretary of state for European and Canadian affairs; and other responsible representatives in other countries. The changes in the Ministry of Internal Affairs are being closely observed because they are the litmus test for the changes in our country as a whole.

[Statkov] According to certain official opinions expressed recently, it appears that the Americans are discovering us only now.

[Boyadzhiev] We were never outside their field of vision, and this includes their special services. This is so because as former CIA Director Mr. William Colby said last year in a MOSCOW NEWS interview, his agency has worked for 40 years for changes in Eastern Europe. There were also contacts before 10 November. However, after a while, when certain facts are published, one could obtain a better picture about the places and roles of certain noted persons in implementing those changes....

[Statkov] Specifically, how are those contacts being implemented today?

[Boyadzhiev] For example, the United States will cover the expenditures for specialized training for our policemen in the United States. We are negotiating for the organization of a series of lectures by British experts for the general public. The regular participation of foreign lecturers in the curriculum of our future police academy is envisaged. The top three cadets in the sergeants' school will receive specialized training in British police stations. The EC will cover the expenditures for the participation of our experts in international seminars. Exchanging experts and supplying equipment for the Bulgarian police have been agreed upon with Germany.

[Statkov] A more personal question. According to the requirements of the new Constitution, you left the National Assembly. However, I understand that you will run again, this time as an independent candidate.

[Boyadzhiev] I participated and acted in the legislature as a Thracian representative. Now I am backed again by the Union of Thracian Associations and the G.S. Rakovski Bulgarian Officer Legion. I appeared more than 50 times at the National Assembly rostrum. However, not one of my speeches had any party bias. The problems on which I took a stand were purely professional or affected only the interests of my voters or the nation. I am proud of having posed the issue of the Thracian refugee loan, as well as having defended my bill on the retirement of the military, despite the resistance of two cabinets. I succeeded in defending the dignity of the Bulgarian military.

[Statkov] In addition to other party candidates, Mr. Ginyo Ganev will be your competitor as an independent candidate. On what will you rely?

[Boyadzhiev] I am sure there is a place for both of us in the Burgas constituency. Seeking unity rather than party controversy always was and always will be the strong element in my position. The people of Strandzha know this and rely on me.

Group Urges Recognition of Macedonian Independence

AU0110084691 Sofia BTA in English 1704 GMT 30 Sep 91

[Text] Sofia, September 30 (BTA)—The Bulgarian Independent Public Committee on National Problems (BIPCNP), which has among its members scholars, clerics, public figures and politicians, today called for a recognition of the independence of the Republic of Macedonia.

The members of the committee adopted by consensus a declaration which says: "The referendum in the Republic of Macedonia was held in a complicated situation of a civil war waged by the Serbian nationalists with the active interference of the Yugoslav Army. The results of the referendum are of crucial significance for the fate of Macedonia, which was so far determined by political decisions taken in different European capitals."

The committee supports the efforts of the international public to put an end to violence and in defence of democracy, humanism and the national sovereignty of Croatia, Slovenia, Macedonia and other republics. The committee insists that the Bulgarian Government immediately recognizes the independence of Macedonia, Slovenia and Croatia. The committee furthermore calls on the international community and the EC Human Rights Commission to avert the impending threat of an occupation of the Republic of Macedonia by the Yugoslav Army. The BIPCNP condemns the anti-Bulgarian campaign fanned up by certain Serbian media who are looking for a pretext for the aggression in preparation.

The committee is chaired by Mr. Ginyo Ganev, and Dr. Petur Dertliev and writer Mr. Petur Konstantinov are its deputy chairmen.

Ludzhev Accuses BSP of 'Misleading' USSR

AU0210085291 Sofia BTA in English 2005 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—"There have been attempts to prevent the visit of the Bulgarian Government delegation to the Soviet Union," Mr. Dimitur Ludzhev, deputy prime minister, who had been appointed head of the delegation, told the press today. "Certain political forces believe that the Bulgarian-Soviet relations are their own prerogative," Mr. Ludzhev (of the Union of Democratic Forces), added.

The working visit to the Soviet Union had been agreed upon in the telephone conversations conducted by Bulgaria's President Zhelyu Zhelev and Russia's President Boris Yeltsin at the time of the coup attempt and after it. The visit, initially scheduled for the end of September, was later put off because of Mr. Yeltsin's absence.

"Until recently Bulgaria's relations and its trade with the Soviet Union were hampered because the Soviet Government was supplied with one-sided and misleading information. Certain circles in Bulgaria tried to discredit the economic team of the government (comprising ministers of the Union of Democratic Forces) even at the expense of the national interests," Mr. Ludzhev said.

Mr. Ludzhev told the press today that the government commission investigating the activities of the former State Security and the structures related with it had already completed its report. It consists of 127 pages and will be probably published by the end of this week.

Legislature Rejects Turkish in Public Schools

AU0210090591 Sofia BTA in English 2109 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—Schoolchildren whose mother tongue is not the Bulgarian language, have the right to study their mother tongue outside the Bulgarian schools under the protection and the control of the state—this was the most disputed provision in the Education Act passed after more than two-hour-long debates by a majority of 149, 30 against and 20 abstentions. The initial proposal made by the Committee on Education according to which the citizens whose mother tongue is not Bulgarian should have the right to study their mother tongue at school was rejected. The clause carried through today in actual fact revokes a previously adopted clause under which in some places the experimental study of Turkish as an optional subject was introduced at the beginning of this school year—a fact that provoked boycotts on the part of Bulgarian children's parents and different organizations, mainly regional organizations of nationalistic parties.

Representatives of the Movement for Rights and Freedoms (MRF) declared themselves to be against the banning of the optional Turkish classes at the Bulgarian state schools. They described this clause of the act as anti-constitutional and walked out of parliament in protest. Krasen Stanchev, M.P. (of Ecoglasnost) motivated his negative vote by saying it was "anti-constitutional, and called it "discrimination in legal form."

Supreme Court Verdicts on DPS, BSP Property

AU0110204991 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 1 Oct 91

[Text] A Supreme Court committee, chaired by Judge Krusty Yanachkov, decided to dismiss the complaint filed by a group of National Assembly deputies against the decision of the Central Electoral Commission, according to which the Movement for Rights and Freedoms [DPS] was registered for participation in the legislaltive elections.

I would like to recall that, after the Supreme Court pronounced a verdict on this question, the deputies who submitted the complaint requested a revision on the basis of the supervision [red na nadzora] procedure.

The verdict of the Supreme Court that was published today is final and not subject to appeal. The DPS will participate in the elections.

Another Supreme Court decision was announced today. It concerns the case related to the property claim filed by Ivan Kostov, minister of finance, against the Bulgarian Socialist Party [BSP]. Kostov requested an attachment against BSP bank accounts in order to cover the claim amounting to 1,855,000 leva and $700,000.

A Supreme Court committee, chaired by Judge Ivan Efremov, determined that the bank deposits and all bank accounts of the BSP should be attached, with the exception of the funds required for wages of party employees.

The Supreme Court, however, has not accepted the state's claim upon the property and bank deposits of companies established with the financial resources of the BSP.

SDS Delegation Leaves for Talks in Moscow

AU0110120691 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 1 Oct 91

[Report by Elena Shterova]

[Excerpt] This morning, in the Election Campaign Press Center of the Union of Democratic Forces [SDS], a news conference of the United Democratic Center took place. Reporter Elena Shterova has returned from there with notes and impressions.

[Shterova] The news from the news conference concerns not only the United Democratic Center but also the SDS. Stoyan Ganev asked journalists to keep their questions short because a SDS delegation was to leave for Moscow. The visit is being made at the invitation of the Movement for Democratic Reforms. Stoyan Ganev gives details:

[Ganev recording] This is the first visit of an SDS delegation to Moscow. It was planned for quite a while, but now it has become possible for it to take place. We will give an account of the enormous responsibility that rests with us from 14 October on since the SDS assumes, perhaps with some other political forces, the country's problems.

For us, the relations of the Union of Sovereign Republics that form the Soviet Union have important significance, and we will have talks with leading political figures and members of the legislature. Of course, the basic issue is the prospect for furthering relations with those republics that have democratic forces in the Soviet Union because we have no doubt that those republics will be some of our main partners along the road toward establishing a market economy. [passage omitted]

Union of Free Democrats Leader Kalchev Assaulted

AU0110091191 Sofia BTA in English 0834 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—Mr. Ivan Kalchev, chairman of the Union of Free Democrats (affiliated to the Union of Democratic Forces—SDS) and editor of the anti-communist "DEN" weekly, was assaulted in his home at 9.30 p.m. by unknown people. They battered him and stole from his briefcase 2,000 dollars, a foreign travel passport, other documents and articles for the next issue of "DEN." Part of the contents of the briefcase was spared.

Mr. Kalchev's neighbours who came to his aid told a BTA reporter that he was able to describe one of the three tall young men who assaulted him.

Mr. Kalchev was taken to hospital. Police officers arrived at his home.

The assault was preceded by numerous threats—written and on the phone—which had become quite arrogant recently.

Election Press Center Established on 1 Oct

AU0110201891 Sofia BTA in English 1747 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—The Council of Ministers instructed the Ministry of Foreign Affairs to organize an international press center in Hall 8 of the National Palace of Culture for the October 7-18 period in connection with the coming elections.

Mr. Boris Chakurov, spokesman for the Ministry of Foreign Affairs, was appointed director of the press center. The programme of the press center's operation will be announced in due time.

The list of journalists accredited to the press center should be announced to the Press Department of the Ministry of Foreign Affairs by October 7.

Government To Establish Tax Administration

AU0110140091 Sofia BTA in English 1228 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—The government approved today a decree on the establishment of a tax administration. After nine months of constant efforts by the Ministry of Finance, a single centralized state structure of the tax authorities has been formed at last, Finance Minister Ivan Kostov said after the cabinet's meeting. The decree was first passed in June but the National Assembly did not approve it. "I hope much money will be collected, many incomes are not being declared," Mr. Kostov said. Financiers have grounds to suppose that taxes to the amount of nine million leva have not been collected in Sofia alone for the first six months of the year. Mr. Kostov hopes that despite the

attempts by certain forces benefiting from the chaos in taxation, the new tax administration will help fill the empty exchequer.

Council of Ministers Discusses Currency Affairs

AU0210090291 Sofia BTA in English 2003 GMT 1 Oct 91

[Text] Sofia, October 1 (BTA)—Today the government approved an amendment to the foreign currency regime in Bulgaria under which all enterprises and companies, including companies with foreign participation, will be allowed to trade in foreign currency in the free-trade zones. Until now this has been the privilege of the Bulgarian companies only.

The Council of Ministers decided to extend the validity of customs concessions on the import of foods and medicines to the end of the year.

The cabinet approved the draft of a Bulgarian-German Cooperation Treaty which will be signed on October 9 during the visit of German Foreign Minister Hans-Dietrich Genscher to Bulgaria.

The government approved the design of a new 100-lev banknote which will be shortly put into circulation.

Minister: Foodstuffs Will Last Only Until Spring

AU0210094991 Sofia ANTENI in Bulgarian 25 Sep 91 p 4

[Interview with Boris Spirov, minister of agriculture and food processing, by Emiliya Dimitrova; place and date not given: "Conversation Out in Open"]

[Excerpts] "Our goal is not to 'scrape the bottom of the barrel' but to have a normal and calm winter and survive until next year's harvest," Boris Spirov, minister of agriculture and food processing says.

[Dimitrova] Mr. Spirov, the people are very much concerned with the issue whether we will survive the winter, whether we have a sufficient stock of foodstuffs, and whether we will be able to see light at the end of the tunnel.

[Spirov] I do not want to talk about survival until the spring and whether we will be able to see the light at the end of the tunnel. People used to talk about that last year, when feeding the animals was a critical problem. I think it is very bad for a minister or a ministry to be preoccupied only with the issue of survival. In saying this, I clearly understand the responsibility I assume. The foodstuffs stored in the Zurneni Khrani [Cereals] storehouses at this time will last until the spring. However, they will not last until the next harvest. I cannot ignore the fact that, after liberalizing prices in February 1991, certain tendencies emerged in our country that must be taken into consideration. One of them is the significant decrease—46 percent—in the consumption of meat. That figure is relative. One should remember that last year many people prepared themselves for the crisis. Refrigerators were stocked. In addition, people prepared preserved food. Thus, the figure is relative, but the fact remains—consumption of meat has decreased.

The disintegration of trade within CEMA is another important factor. Consequently, in a normal foreign trade situation, the basic part of our agricultural produce should easily last until the next harvest.

[Dimitrova] Are we to understand that you almost guarantee a relatively calm winter, during which there even will be meat on the market?

[Spirov] The quantity of cattle in our country is a good guarantee. It is true that the quantity has decreased, but, according to the ministry's data, the quantity of cattle after the 1991 harvest is completed will suffice, and there is no cause for concern. [passage omitted]

[Dimitrova] Naturally, the issue of bread is more important. What is the situation regarding grain?

[Spirov] At present, there are 1,000,050 tonnes of grain in our storehouses. We need about 1,800,000 tonnes. A shortage of about 700,000 tonnes is evident. If we cannot find another way of eliminating this shortage, we will apply the market economy principle—that is, we will purchase grain at the lowest possible price, regardless of whether from domestic producers or through import. We are striving to guarantee a normal supply of bread until the next harvest. [passage omitted]

Havel on International Ties, Bush's Initiative

AU0210100891 Prague CTK in English 1413 GMT 30 Sep 91

[Text] Prague Sept 30 (CTK)—Czechoslovak President Vaclav Havel today told a press conference that "political relations between France and Czechoslovakia are very good at present but we would appreciate better relations also in the economic area".

Havel will pay a one-day visit to Paris tomorrow to sign a treaty of understanding and friendship. After Italy, France will become the second European country to sign the treaty with Czechoslovakia. A forthcoming series of these treaties is to support Czechoslovakia's security and political positions.

"Our treaty with France is a very good one, convenient for both sides.... It anchors prospects for our full-fledged membership of the European Community (EC) and support for the association agreement with the EC".

Havel said he will discuss with French President Francois Mitterrand Europe's future and security, Czechoslovakia's association agreement with the EC and the idea of a European confederation.

He said he does not think France wants to impede Czechoslovakia's, Poland's and Hungary's association with the EC, pointing out that France has traditionally had a different agricultural policy from that of Czechoslovakia. Havel said he was disappointed by France's attitude to Czechoslovakia's association with the EC but noted that "the entire process ... can still take place in accord with the scheduled timetable".

On Czechoslovakia's treaty with the Soviet Union, due to be initialed October 3, Havel said immediately after last month's failed coup, the Soviet Foreign Ministry initiated talks with Bulgaria, Czechoslovakia, Hungary and Poland on the speedy conclusion of bilateral treaties with them, the Soviet Union accepted the countries' demands as justified, Havel said.

The demands included the omission from the treaties of a clause excluding the possibility of either party becoming a member of a security alliance that might be directed against the other.

The Soviet Union wishes that the treaties with Bulgaria, Czechoslovakia, Hungary and Poland be symmetrical or identical in some points, Havel said.

On the pending treaty with Germany, Havel said "there are practically no questions still at issue between the German and federal (Czechoslovak) Governments over the treaty".

The main stumbling block to the treaty was the Sudeten Germans' claim to their property in Czechoslovakia's border areas which was nationalized under decrees issued by Czechoslovak President Eduard Benes in May 1945.

Havel said the treaty will be initialed on the eve of or during the visit to Czechoslovakia by German President Richard von Weizsaecker October 7-11.

The Czechoslovak-Polish treaty will be signed during the Czechoslovak-Polish-Hungarian summit in Krakow, Poland, at the weekend, Havel said.

He announced that the heads of the three Central European countries will adopt a declaration "... which will probably set forth certain initiatives addressed to supranational European institutions, the European Community, the North Atlantic Alliance and the Helsinki Process".

The initiatives will be proposed in response to the failed coup in the Soviet Union and the latest developments in Yugoslavia, Havel said.

He welcomed the latest U.S. disarmament initiative announced by President George Bush at the weekend. Under it, the United States will radically reduce its Armed Forces and nuclear tactical weapons.

Havel said the proposals are a challenge to the Soviet Union to take similar steps.

Speaking about a possible referendum on the coexistence of Czechs and Slovaks in a common state, Havel said the most difficult problem connected with it would be the wording of the question to be put to the Czechs and Slovaks.

He denied that, when submitting his proposal for a referendum at the Federal Assembly (parliament) session September 24, he had threatened to resign if the referendum were not held.

Havel proposed the referendum as a last-ditch attempt to resolve the question of Czech-Slovak coexistence after strong separatist trends surfaced in the Slovak Republic, the eastern and smaller of the two constituent republics of Czechoslovakia. The other is the Czech Republic.

Work has been under way for several months on Czechoslovak, Czech and Slovak constitutions which politicians would like to see passed before the next parliamentary elections, scheduled to take place by June 1992.

Havel Tops List of Most Popular Politicians

AU0110083691 Prague CTK in English 2233 GMT 26 Sep 91

[Text] Prague Sep 26 (CTK)— Czechoslovak President Vaclav Havel tops Czechoslovakia's most popular politicians' list, drawn up by the Institute for Public Opinion Research at the beginning of this month after polling 1,205 people, while Czechoslovak Foreign Minister Jiri Dienstbier (Civic Movement leader) and Federal Economics Minister Vladimir Dlouhy maintained second and third place respectively. The popularity of Labor Minister Petr Miller and

Finance Minister Vaclav Klaus (Civic Democratic Party leader) declined, while Klaus's "economic" opponent Valtr Komarek gained a lead over Klaus.

A comparison of the popularity lists in the Czech and Slovak Republics shows that a recent decline in Havel's popularity in the Czech Republic has ceased. The president still leads over Dienstbier and Dlouhy. Komarek climbed to fifth place, trailing Klaus. Czech leaders, Premier Petr Pithart and Parliament Chairwoman Dagmar Buresova, are less popular in the Czech Republic than some federal representatives. Miroslav Sladek, the leader of the Assembly for the Republic-Republican Party of Czechoslovakia, Czech Agriculture Minister Bohumil Kubat, Slovak Premier Jan Carnogursky (Christian Democratic Movement leader), and Slovak Parliament Vice-Chairman Ivan Carnogursky are at the bottom of the list of 19 politicians.

In Slovakia, Vladimir Meciar, the leader of the Movement for a Democratic Slovakia and former premier, was pushed from the top of his republic's list by Czechoslovak Federal Parliament Chairman Alexander Dubcek. President Havel's popularity rose slightly after losses registered in spring surveys but he still ranks fourth after Komarek. A surprise is rising support for Dienstbier, Dlouhy, and Jan Carnogursky. Least popular are Sladek, Ivan Carnogursky, and Kubat.

[Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech on 27 September on page 1 publishes the complete results of the above poll. The politicians are ranked in the following order of popularity:

Czech Republic	Percentage of Supporters	Slovak Republic	Percentage of Supporters
V. Havel	82	A. Dubcek	75
J. Dienstbier	74	V. Meciar	68
V. Dlouhy	72	V. Komarek	57
V. Klaus	64	V. Havel	56
V. Komarek	60	J. Dienstbier	52
P. Miller	58	V. Dlouhy	44
M. Calfa	56	P. Miller	39
P. Pithart	52	J. Carnogursky	33
D. Buresova	44	M. Calfa	28
P. Rychetsky	43	P. Pithart	28
F. Miklosko	40	P. Rychetsky	28
L. Dobrovsky	39	V. Klaus	27
A. Dubcek	38	F. Miklosko	21
J. Langos	25	D. Buresova	21
V. Meciar	25	J. Langos	20
B. Kubat	21	L. Dobrovsky	20
M. Sladek	20	M. Sladek	14
J. Carnogursky	17	I. Carnogursky	13
I. Carnogursky	6	B. Kubat	13

Carnogursky Views Sovereignty, Referendum Issues

LD2909112891 Bratislava Ceskoslovensky Rozhlas Radio Network in Slovak 1100 GMT 27 Sep 91

[Interview with Slovak Prime Minister Jan Carnogursky by correspondent Lubomir Lindtner; place and date not given—recorded]

[Excerpts] [Lindtner] The speed of events on the political scene is quite pronounced. I have selected several fragments from the past few days for our meeting today. I would like to know your views, Mr. Prime Minister. Foreign Trade Minister Baksay mentioned in a television program on 22 September vast sums which Slovakia would have to spend after it becomes independent. [passage omitted]

[Carnogursky] First, Minister Baksay's calculations are not exact. Second, we cannot automatically and mechanically compare current Federal conditions, in a reduced form, to Slovak conditions. Simply, Slovakia, if it administers its affairs, will be carrying out not only a mechanical transfer of the Federal administration but also a Slovak administrationm in the sense that it is smaller and, I think, more purposeful. It does not affect all that is now controlled by the Federal administration. [passage omitted]

Naturally, this view cannot be completely avoided. If Slovakia were to exist independently, it would have to weigh which activities it will safeguard and which it will not.

[Lindtner] At the Slovak National Council deliberations, one of the deputies expressed the requirement that the government should prepare economic and social analyses of various forms of state-administrative arrangements. Are you considering such analyses in the government?

[Carnogursky] Such analyses are quite illusory because one simply cannot presume development, in light of the fact that possible division of the Republic would set up a new geopolitical situation. That cannot be calculated in advance. [passage omitted]

Certain rough estimates or calculations can be made. For the time being, the government did not set it as a task. However, we can tell the ministers that they should make rough estimates in case a referendum is announced.

[Lindtner] On 22 September, you were among the speakers for the common state. On the same day, you expressed your views on solving the situation prior to the Christian Democratic Movement's extraordinary council. According to the reactions of the listeners who phoned me, I reckon that many did not understand your participation in the meeting.

[Carnogursky] I said on the square that I understand a common state as a common path to Europe, where we will have our own position. I also said that Slovakia is strong enough to help determine the contents of the common state, and that provoked a number of debates. As to independent Slovakia, sovereign Slovakia, and so on, I always have in mind the prospective position of Slovakia within the framework of integrated Europe—or, at least an integrated part of Europe. I would really like to see Slovakia on exactly the same level with other nations and states, the exact same level of independence.

[Lindtner] In your address on Slovak National Uprising Square, you voiced the idea that the truth is complicated in these geographical spheres. Did you have in mind that truth is not always being spoken today? Or did you mean that truth cannot always be spoken?

[Carnogursky] Truth can always be spoken, but truth need not always be uttered in short, simple sentences. This is the complicated nature of truth in our geographical sphere and not just in our geographical sphere. [passage omitted]

We must seek ways out of the current situation. If we only manage to find time to seek them, we have a greater chance for finding a way out.

[Lindtner] On 24 September, the Federal Assembly's autumn session opened in Prague with President Vaclav Havel's address. He suggested that the deputies accept a proposal for a referendum as soon as possible and that they adopt a resolution in which they would support the deliberations of both National Councils on the treaty. What is your view on the president's address? Are the two facts not contradictory: a referendum and support to further deliberations of National Councils?

[Carnogursky] The two facts themselves do not counter each other. We are simply speaking about one fact and one proposal, because so far the referendum is only a proposal. The president introduced arguments that are altogether convincing for me. The problem of a referendum is somewhere else. What is the guarantee that, possibly, a particular result of a referendum would not be overcome after a while by further development? That is why I think that it is necessary, first of all, to exhaust all the possibilities of deliberations so that all the possible alternative solutions might be clarified in deliberations, and also possibly be revealed as contradictory. Only then should the referendum be ordered. Second, the president's address truly tried to meet halfway the current proposals of the Slovak representatives, as no other political party has done so far. The president mentioned a minimal number of departments that should be on a joint level—that is, defense, foreign policy, and currency. I would also add a standard of human rights to this. I must say that, during all the deliberations that we had had until then with representatives of Czech political parties or even during deliberations of the Presidiums of the National Councils, a much broader sphere of joint departments is being remembered. Thus, I would like to say that the president's proposal in the Federal Assembly gives a certain basis for the deliberations of the presidia of the National Councils.

[Lindtner] Mr. Prime Minister, there has been much talk in the past few days about your remarks on the text of the proposed Czechoslovak treaty with Germany. What is involved is the continuity of Czechoslovakia since 1918. In a letter you and Slovak National Council Chairman Miklosko wrote, you recalled the existence of the Slovak Republic as of March 1939. However, some voices say that this state formation was born unconstitutionally. What would you say about that?

[Carnogursky] The Slovak Government adopted a view on the matter on 26 September. It proposed to delete the controversial sentence in the draft treaty's preamble, not because it would be adopting the view that the Slovak Republic was born constitutionally in 1939 or because it would be saying that the continuity of the Czechoslovak Republic was interrupted, but because this sentence has nothing to do with Czechoslovak-German relations. President Havel ended up saying that the question of existence or nonexistence of the Slovak state and the continuity or discontinuity of the Republic should not be solved in interstate and international treaties but should be the topic, let us say, of our internal state discussions. That is what is involved. Let us say that, whether the question of constitutionality or lack of constituionality of 1939 is controversial may be the topic of our internal discussions, but let us not tackle it in an interstate agreement where it does not belong.

[Lindtner] Today, we recall the anniversary of the birth of a person who had to be taboo for over 40 years: Andrej Hlinka. The word nation often resounded in his thoughts, as well as in his attempts to lift it. What does his activity mean to you?

[Carnogursky] Andrej Hlinka represents authentic Slovak politics, I daresay with all its pluses and minuses. Andrej Hlinka, above all, at the time of culminating Hungarian pressure in the old Hungarian empire before World War I, organized Slovak politics fairly successfully. Evidently, he had great merits, in that Slovakia had at least a few deputies in the Budapest legislature. Even after that, following the birth of the Czechoslovak Republic, he was the first to organize Slovak political pressure for winning autonomy for Slovakia. Autonomy, in the sense presented by the People's Party, meant federation, and Andrej Hlinka could lead the party, which, for at least 20 years—in fact, during the period of the first republic—was a strong political movement in Slovakia. Now, after the beginning of democracy in Slovakia, I asked several historians how they see the Andrej Hlinka's activity in comparison with how politicians in

Slovakia present themselves today. I was, above all, interested in the extent to which it was possible to consider Andrej Hlinka a populist politician. [passage omitted]

A negative feature of Andrej Hlinka's policy can be its parochialism; it could not compete internationally—or at least on the level of central Europe; it could not elevate the Slovak cause at least to the level of the European cause. Masaryk, in the beginning of the century, set the role for Czech policy to make a world issue out of the Czech issue. If the Slovak issue could have become at least a central European issue, it would have been progress. One could consider as another drawback certain demagogic tones which in the propaganda, in publicity, above all, surrounded the National Party, above all.

Slovak Party Chairman on Sovereignty Declaration

LD2809155891 Bratislava Ceskoslovensky Rozhlas Radio Network in Slovak 27 Sep 91

[Interview with Slovak National Party Chairman Jozef Prokes by unidentified correspondent; place and date not given—recorded]

[Excerpts] [Prokes] The majority of deputies were for sovereignty, for the declaration of state sovereignty of the Slovak Republic. This very fact, however, did not mean its declaration. An answer to this question, however, would have given us a clear orientation as to what the joint constitution of the Slovak Republic should be. I must note with regret that this parliament has for over six months been avoiding the basic question of a future state administrative arrangement—the basic question which it should answer—that is, the question of relation to state sovereignty of the Slovak Republic. What I really find upsetting about this parliament is not that it would have possibly rejected state sovereignty of the Slovak Republic, but that it is scared to express its opinion on this question. [passage omitted]

[Correspondent] What kind of further development are you expecting?

[Prokes] The Slovak constitution should have been completed and adopted by 30 June. In my view, this problem is being deliberately delayed, both by Presidium members and by movements. Personally, I am sceptical as to the possibility of agreement on some common constitution according to Carnogursky's proposal because Carnogursky had more than six months to start uniting views on the constitution. I am very annoyed that when the unification question was taken over by a certain group of deputies—also representing the Christian Democratic Movement—and this united proposal has been worked out by true legislative experts—that today Carnogursky rejects this constituion and wants to set up another commission. [pasage omitted]

94 Percent of Moravians Support Common State

AU0110082291 Prague CTK in English 0202 GMT 27 Sep 91

[Text] Prague Sep 26 (CTK)— "Appeal from Citizens," the Czech group formed last week urging parliamentarians to speed up legislation necessary for the calling of a referendum on Czechoslovakia's state setup, said today it has collected 192,498 signatures supporting its proposal.

It recorded 62,498 signatures since yesterday afternoon, its Prague office said.

The Slovak movement "For a Common State" has already collected 21,541 signatures.

The Czech and Slovak populations are 10.3 and 5.3 million inhabitants respectively.

The Brno branch of the Prague-based Institute for Public Opinion Research told CTK today that 94 percent of the population in Moravia and Silesia, regions in the center of the country comprising 40 percent of its population, support the maintaining of a common state.

32 percent of the citizens there desire a tripartite federation of Bohemia, Moravia, and Slovakia, according to the institute.

31 percent seek a unitary state and a quarter want a federation [consisting of two parts, the Czech Republic and Slovakia].

[Prague RUDE PRAVO in Czech on 27 September on page 3 carries a 100-word CTK report on the Moravian survey. According to the report, there are great differences between South Moravia and North Moravia in the extent of support for a tripartite federation. While 46 percent of respondents in South Moravia want Moravia to be put on equal footing with Bohemia and Slovakia, only 19 percent of respondents in North Moravia advocate a tripartite federation.]

Government To Buy Some Arms Industry Stocks

AU0110082991 Prague CTK in English 2135 GMT 26 Sep 91

[Text] Prague Sep 26 (CTK)— The Czechoslovak cabinet noted at its session today accumulated unmarketable stocks and fixed assets worth 4,300 million crowns (1 USD equals 30 crowns) are the biggest problem of the process of Czechoslovakia's arms industry conversion to civilian production.

The government agreed that the Czechoslovak federation will purchase some of the stocks and fixed assets at a value of 2,600 million crowns from arms industry factories affected by conversion. The Czechoslovak Finance Ministry and the respective bodies in the Czech and Slovak Republics will discuss how to handle the remaining 1,700 million crowns.

Eighty-six Czechoslovak enterprises are affected by the arms industry conversion, 36 of which are Slovak factories.

Dlouhy on Economic Reform Strategy, Risks

AU3009060191 Prague HOSPODARSKE NOVINY in Czech 25 Sep 91 pp 8-9

[Article by CSFR Economy Minister Vladimir Dlouhy: "The Issue Involves Continuing Reform, Not Destroying the Economy"]

[Text] The enterprise sphere, state employees, private entrepreneurs, and all citizen-consumers have, for about a year now, been exposed to considerable pressure from critics of the type of economic reform put forward by the Federal Government. We hear of forecasts—none of which has been fulfilled during the course of the year—not only about unemployment and inflation, but also about the entire economy's collapse, catastrophic indebtedness, or further massive devaluations. Criticism is expressed either within the context of a covert (and sometimes completely overt) political struggle, or within the framework of a scientific discussion. It is easy to criticize, just as it is easy to publish forecasts that are usually unfulfilled. Then there are arguments of a more forceful caliber, including the recent claim that federal economic policy is facilitating the controlled destruction of the national economy. Let us once again call things by their correct name—this is a lie.

Some of my colleagues have recently responded to this criticism (Karel Dyba responded in last week's HOSPODARSKE NOVINY and the finance minister and his deputy responded earlier). Therefore, I will not repeat the arguments they have already put forward; however, I would like to refer to the **misunderstanding** that is constantly cropping up. The government is always being accused of just orienting itself toward fundamental reform steps and of having no corresponding**economic policy**. I, on the contrary, contend that the government has an economic policy; however, the difference is **who and what** we envision by this concept.

Economic Development in 1991

We are experiencing **a difficult period** following the initiation of radical economic reform. After obtaining **a political mandate** in the June 1990 elections, after the Federal Assembly's approval of a scenario for economic reform, after a series of prepared economic- political and legislative measures, and after confirmation of our reform policy by international institutions—first and foremost, the International Monetary Fund—we initiated **fundamental Czechoslovak economic reform measures** at the beginning of this year. First and foremost, we **liberalized** a considerable part of the**prices system and trade**. After implementing the necessary devaluation, we declared Czechoslovak currency to be **convertible** (albeit in a limited form at the moment) and we **abolished** extensive **subsidies** in the production and consumption sphere. The State Bank's **restrictive credit policy** is, in a corresponding manner, exerting the necessary pressure on increasing financial discipline in all spheres of economic life and, at the same time, also represents a significant anti-inflation device during the economy's overall liberalization, when the battle with inflation is one of the highest priorities for the country's economic leadership. A **budget surplus** concept and a budget restrictions policy are also being put forward for the same reasons.

So far this year, economic development has been underlined both by the adoption of a reform strategy and by an economic policy oriented—first and foremost—toward **macroeconomic stabilization** following the radical reform changes. Price fluctuations in the production branches and for the final consumer have virtually come to a halt in recent weeks. I will just mention that, since the step-by-step 25.8 percent price increases in January, the aggregate consumer price index for this July and August has been reduced to 0.1 percent. The exchange rate has also been stabilized in a similar manner; this stability has been achieved without drawing more substantially from the foreign currency reserves provided by international institutions. Convertibility is regarded as an absolute matter of course by our economic circles. The state budgets are manifesting a corresponding **surplus** (a preliminary surplus of 10.7 billion korunas at the end of this August), the fundamental framework for **wages regulation** has been adhered to, **gross indebtedness** in freely convertible currencies is increasing only slightly (by approximately 8 percent since the beginning of the year and by $8.8 billion at the end of June), and economic development is corresponding to all the fundamental criteria monitored by the International Monetary Fund. From the point of view of macroeconomic development, it is possible to regard the start of Czechoslovak radical economic reform as a **success**. It is also regarded as such in world political and economic circles.

However, development is also bringing a number of problems, expected ones and new ones. First and foremost, our economy is affected much more by unfavorable developments in the demand for Czechoslovak exports, mainly in the Soviet Union and the other former CEMA countries, but also—to a lesser extent, certainly—in other world markets. Successful development in the aforementioned macroeconomic indicators contains some hidden problems: There is still **tension in the budget system** (the budget's high receipts came from the enterprises' unrepeatably high profits at the beginning of the year, the budget surplus in treasury revenue is accompanied by a decline in the real value of expenditure, and the outlook for fulfilling the budget surplus at the end of the year is subject to a number of uncertainties), **wages development** during the remaining months of this year will exert more significant pressure to relax regulation (irrespective of the de-stimulating effects of wages regulation), and the **dynamism of credit granted** at the beginning of the year was of a very unbalanced nature. It is obvious that inflation—expressed in annual

terms—will be much higher than expected (this will not be a vital factor for current stabilization). This will be reflected in a higher increase **in the cost of living** (as far as the most monitored groups—workers and employees—are concerned, this amounts to 44.2 percent from the beginning of the year to the end of August). Similarly, it is also necessary to state that **real wages** had fallen by 21.8 percent at the end of July. However, social policy has reacted to all these phenomena in an appropriate manner.

Development in industrial output and employment is a mirror image of macroeconomic discipline and of the positive stabilization of price levels and the exchange rate. By the end of August, **industrial output** had declined by 17.8 percent in comparison to the same period last year (according to, at least, the preliminary figures for small enterprises and the private sector). The decline for the month of August (in comparison to last August) amounted to 29 percent. A more significant decline is noticeable in overall **construction output**. When the same comparison is made (again including small enterprises and the private sector), this decline amounts to 25.4 percent (however, there was a turnaround in the unfavorable trend in August). By 31 August, the unemployment level had reached 5.1 percent of the overall labor force available for work. There were relatively large differences in unemployment rates in the two republics (3.4 percent in the Czech Republic as opposed to 8.7 percent in the Slovak Republic). The decline in the **productivity of labor** is associated with this development, because the decline in employment is slower than the decline in output. The economy's **energy demands** are not declining; on the contrary, they are increasing. The fuel and power industries are the only branches of the economy that have recorded a slight increase in their gross output during recent months.

The physical volume of **foreign trade turnover** declined by roughly 30 percent from January to the end of July 1991. The decline in turnover with Central and East European countries, amounting to approximately 43 percent, had a decisive influence on this. However, trade turnover with the Soviet Union declined by more than 40 percent, while Czechoslovak exports to this market fell by more than 55 percent. Development in exports to countries with **market economies** is also unfavorable. Despite last year's considerable devaluation with its expected pro-export effect, a decline of more than 10 percent was recorded.

Therefore, first and foremost, it is necessary to regard the **decline in aggregate demand** as a fundamental short-term problem in the Czechoslovak economy today. The simultaneous loss of foreign markets and the start of reform—which requires an anti- inflationary policy aligned with restrictions on components of aggregate demand, that is, on the domestic market—played a negative role here. However, a higher than planned level of restrictions was implemented against aggregate demand, both as a consequence of higher restrictions on budget expenditure and of lower fiduciary issues caused by higher than expected price increases. A significant decline in efficiency and rationality of domestic trade, a decline in real wages, the start of the conversion of the armaments industry, and our enterprises' poor adaptability—they have been forced out of the domestic market by foreign competition—have also played a role here.

A large number of Czech and Slovak **enterprises** are in a very difficult situation. The growth in **economic organizations' profit** has a declining tendency (26.3 billion korunas in January, 11.6 billion korunas in May, and 15.5 billion korunas in June). One of the most characteristic traits of the enterprises' current situation is **domestic indebtedness** and primary and secondary **insolvency**. Financial undertakings throughout the payback period in the statistically monitored group of centrally managed organizations amounted to 114.2 billion korunas at the end of June as opposed to 42.5 billion korunas at the beginning of the year.

Privatization Is Crucial

It is apparent from the facts mentioned above that, while continuing to emphasize the macroeconomic aspects of economic reform (curbing inflation is still our most important aim), more **attention** has to be oriented toward the microeconomic level and toward specific economic-political steps directed—with the necessary dose of uncertainty—toward active measures or, as the case may be, additional corrections. The **bedrock of the government's program** for the economy is, first and foremost, the rapid and comprehensive **privatization** of the Czechoslovak economy based on the purposeful combination of standard and non-standard privatization methods, **continuing price liberalization** with limited price regulations in the most necessary cases, the **further opening up** of our economy to the world—by means of intensifying the level of the Czechoslovak currency's convertibility and by gradual reductions in the remaining restrictions on the free exchange of goods across borders—and, last but not least, comprehensive, timely, and administratively demanding **tax reform** starting on 1 January 1993.

Strategic privatization, which I want to discuss only briefly, has an absolutely exceptional and, from the long-term point of view, crucial significance. **Small-scale privatization,** with all its problems, is already showing **results** clear to all of us. Our economy is facing up to the unprecedented use of the **coupon method** in the case of **large-scale privatization**. The use of **nonstandard methods** in large-scale privatization is necessary for a number of reasons. The shortage of domestic capital and the problems associated with valuing existing property are mentioned most often. However, emphasis on the coupon method does not mean excluding **standard approaches**. On the contrary, the government must—more than ever before—support the establishment of joint enterprises and auction sales and direct sales to foreign entities under clearly defined conditions normal in world practice. The influx of foreign capital is necessary for absolutely obvious reasons (a supply of technology and know-how as well as managerial experiences). However, on the

other hand, there is no reason to provide considerably better conditions for foreign investors to the detriment of domestic investors. Similarly, privatization strategy must also take into consideration the interests of the so-called **middle sector** (that is, small and medium-sized entrepreneurs) whose development is—among other things, based on the experience of all advanced market economies—essential for new economic growth. Support for small and medium-sized entrepreneurs must be expressed to a greater extent in government policy, not only within the framework of strategic privatization, but also in credit and taxation policy.

Further Reform Steps and Their Risks

Continuing specific macroeconomic restrictions and maintaining the concept of a budget surplus will continue to be a fundamental feature of government economic policy. We face a specific risk in view of expected fiscal tension since high state budget revenues—by virtue of high profits (and levies)—were generated by a single price increase and are, therefore, unrepeatable, and, on the other hand, the budget (or rather budgets) will have to equal demands on social expenditure. **Continuing** price liberalization is a separate problem. In the very near future the issue will involve, first and foremost, revising and relaxing **rent prices**. The discussion on the further course of action regarding energy and agricultural products' prices will also be complicated. However, it is true that in both cases—while respecting certain specific features (mainly for agricultural products)—the fundamental requirement is to link domestic price levels and structures **as fast as possible** to world price levels and structures.

The State Bank's **credit policy** will have a fundamental influence from the macroeconomic point of view. In view of the number of deformations in our economy, it is impossible to envisage (and even to properly statistically demonstrate in the short-term) the entrepreneurial sphere's reaction to the bank's policy in this sphere. Generally, the enterprise sphere still refers to the too **high interest rate level,** despite that fact that it has declined this year (on 1 January 1991 the overall interest burden amounted to 24 percent; it will only be 17 percent in September).

At a time when inflation is expected in the economy, interest policy must eliminate economic entities' and the population's flight from money. **Interest on deposits**, slightly higher than the rate of inflation, is an active interest policy measure and—at the same time—curbs inflationary pressures. However, in view of the chronological discontinuity between inflationary development (changes during short time spans) and interest policy (interest rates are set for a longer time frame), there cannot be short-term harmony between the two economic indicators. On account of the intense fluctuations in the main economic figures at the beginning of the year, the banks' deposit policy—reacting to the rapidly changing situation with a certain delay—was not a stabilizing element. Nevertheless, in recent months, interest policy has contributed toward overcoming inflationary pressures. This has been manifested by **a return**, especially by the population, **to various forms of savings** (at the end of January 1991, unrealized purchasing power had declined by 3.3 billion korunas; during the course of the ensuing months, it fluctuated with a tendency toward a slight increase, and by 31 July the growth in savings amounted to 5.6 billion korunas). Based on the need for continuing stabilization and the start of development, it is impossible to extend current interest rates.

The current level of **banking margins**—around 6 percent—guarantees the banking sector considerable profits (for example, by 30 June 1991, the Commercial Bank had achieved a profit of 8.068 billion korunas, while the budget envisaged for 1991 was 8.063 billion korunas). The need to gradually supplement the banks' capital provision [kapitalova vybavenost] (from the point of view of levels normal in world banking, it is necessary to raise the current provision from 2.5 percent to 8 percent), to modernize them, and to boost their personnel necessitates a higher banking margin than is normal throughout the world. However, the Commercial Bank's economic results testify to the fact that the current banking margin is high and, despite its declining trend, it is possible to amend it to the benefit of again supporting effective economic growth.

In view of the ever-increasing participation of **foreign credits**—especially from international financial institutions—it will also be necessary to allow for the higher interest rates defrayed by the CSFR to these institutions. The most advantageous interest conditions from international institutions, conditions that hover around 7.75 percent to 8.5 percent (the current discount rate is 9.5 percent), are the margin below which the discount rate should not decline.

At a time of favorable inflationary expectations, a **reduction** in interest rates on credits **by 2 to 4 percent** should correspond to the national economy's current needs, while it is necessary to seek vital scope in the commercial banks' tolerated deficiency; such a course of action would be acceptable to the entire banking system.

Taxation policy is another preeminent sphere. Considerable progress has already been made here. All attention is oriented toward 1 January 1993; nevertheless, there are problems in two areas. First and foremost, the issue involves a **qualified collection and supervision apparatus,** which we do not yet have at our disposal. This presents the danger of more tax evasions than in advanced market economies. Furthermore, so far, we have no program for the **transfer** to a new taxation system since it will be very difficult to immediately change the taxation burdens on individual products and, as the case may be, on income. The **taxation system's structure** is also not absolutely clear, including contributions for social security. In conjunction with the reform of the taxation system, it is unclear what will be done (and when) with the **state compensatory allowance** which today represents more than half the returns on income tax.

On account of our inadequate "taxation infrastructure" and of our very low principles regarding tax payments, we require the **simplest possible taxation system**. Trends toward simplifying the taxation system, including integrating social security contributions within it, are also apparent in advanced market economies. During the transition period—before 1 January 1993—a series of partial steps should be taken in the income tax, profit tax, import tax, and export tax refund spheres. Concurrently, levies from the volume of wages should be transformed into a social security contribution. This will have a proportional rate. It is necessary to eliminate dual taxation on shareholding companies' income as an expression of our support for enterprise. It is also necessary to simplify income tax and, conceivably, to gradually abolish the state compensatory allowance.

Conflicting economic-political steps are being proposed for **wage regulation**; this is closely interlinked with improving the **social security network.** On the one hand, the struggle with inflation is leading toward a tentative stance regarding wage regulation relaxation, while, on the other hand, the development of private enterprise is unfeasible without liberalized wages. At the moment, it is possible to talk about the development of wages and the mechanism for wage regulation as a stabilizing element of a non- inflationary nature in the macroeconomic environment. However, we also have to be aware of the **risk** of inflationary behavior by individual economic entities in the wages sphere. This is a result of the overwhelming influence of state ownership. In spite of continuing wage regulation, the still unprivatized enterprises could (as has happened in Poland, for example)—on account of their interest in minimizing profit (to the detriment of a decline in the original assets)—become a launching mechanism for inflation to the benefit of an increase in cost inflation. As far as these enterprises are concerned, a restrictive financial and monetary policy cannot effect the distribution of their revenue into wages and other requirements that would thus ensure that their behavior is rational from the long-term point of view. Therefore, it will obviously be necessary to consider a regulatory wage mechanism for 1992 that would prevent such a development.

The **minimum wage** issue has recently become very delicate; this involves a dispute that has been whipped up unnecessarily. Our social partners have stated many times that the concept for a minimum wage—and, mainly, its valorization—was not chosen correctly. An interest in preserving social peace will, obviously, lead to a certain compromise solution this year; however, I propose not to introduce this category at all next year.

Rather than concentrating on the disputes regarding the minimum wage, let us turn our attention toward improving the entire **social security network.** This is suffering from ailments that are common in advanced countries. On the whole, it is a far too generous network that does not prevent some population groups from drawing on unjustifiable support, and that is incapable of selectively seeking out those who really need social security. Apart from revisions in the parental contribution sphere, a rather asymmetrical distribution of the reserves earmarked in the state budget has been implemented in favor of unilaterally supporting pensioners' incomes virtually to the detriment—on account of our limited financial resources—of all the other social allowances, including social allowances for families with children. This development was further sustained by a disproportion in the way the working people's income has evolved compared with that of pensioners. During the first six months of the year, average real wages declined by roughly 22 percent, while the real volume of pensions declined by approximately 16 percent. The second pension increase in 1991, including increasing the minimum pension, has had virtually no affect on the pensioner's minimum subsistence level. On account of the aforementioned **fiscal tension**, it is impossible to assume that more will be spent on new social measures than in 1991. Therefore, it will be necessary to distribute the overall sum strictly proportionately in relation to all kinds of social income.

Economic Policy Tasks Until the End of the Year

From the absolutely short-term point of view, attention needs to be concentrated on **reviving domestic and foreign demand**. **Some steps have already been taken** during the first six months of the year, first and foremost, increasing budget expenditure on investments for the infrastructure and ecology, valorizing budget expenditure on the fundamental branches providing services to the population, and also measures in the taxation sphere (reducing turnover tax rates on selected products, temporary possibilities for rapidly writing off equipment assets, and other measures). I consider it essential to—at least partially—**deal with the issues of domestic indebtedness and secondary insolvency at the government level.** This should be done in as short a time as possible. However, it should only be done by means of strengthening the **banking sector.** This must lead in many cases to changes in the reluctant stance of the banking sector, which justifies its behavior—warranted in the majority of cases—by citing the ambiguous production programs, marketing opportunities, and the ability to pay back accepted credits under current conditions by virtue of past indebtedness. Of course, there are many open issues in the **banking system** itself, whether these are problems associated with considering their clients' creditworthiness with regard to price fluctuations and fundamental changes in the enterprises' marketing opportunities, the decline in bank deposits—from which the banks inferred an uncertainty in guaranteeing their future liquidity on account of low capital provision—or the undeveloped money market.

Within the framework of support for an increase in aggregate demand, it will be necessary to **operatively react** to the rapid changes in the country's economic life. At the same time, the government will flexibly change—

and is currently changing—the level and extent of price regulation, the import surcharge level and the range of products this concerns, the turnover tax rate level, the inclusion of products in rates' brackets, according to the situation on the market and according to the state budget's resource possibilities and—in exceptional cases—the provision of subsidies, financial assistance, and state guarantees for bank credits.

The government's **pro-export policy** is of fundamental importance. This is oriented toward alleviating current export obstacles (as an example, it is possible to cite subsidies for the different domestic and foreign credit levels associated with granting the export credits available to all economic entities) and toward stimulating exports (this involves measures in credit and interest policy facilitating the exporter's access to credit, including exporters' guarantees and insurance). It is also oriented toward customs policy, wages policy, and other spheres. At the same time, the government is determined to continue the maximum **liberalization of imports** with the aim of intensifying the competitive atmosphere, of gradually breaking up existing monopolies, and of approximating the price relations situation on world markets. This should be done while temporarily guaranteeing the necessary protection for some of our products. Work on restructuring **customs tariffs** is coming to an end. The estimated customs rate average—even after the implementation of tighter measures—hovers at around the 6 percent level. A draft amendment to the **licensing system** has been prepared (I must mention that a number of export licenses originally intended to restrict exports and protect the domestic market have, under conditions of the predominance of supply over demand, no purpose). We are approaching the forthcoming Association Agreement with the European Community in a very responsible manner and we are prepared to immediately become involved in assisting the Soviet Union in the manner most efficient for our country; this will obviously require a more compliant attitude toward our natural partners, that is, Poland and Hungary.

We Have an Economic Policy

The government has an economic policy that corresponds to the nature of our economic reform. We are convinced that its **fundamental building blocks are correct** and we do not want to—and will not—change them. Our main macroeconomic aim is, along with comprehensive liberalization, suppressing inflationary tendencies. We will subordinate monetary and budget restrictions to this and we will not purchase cheap short-term successes by means of state indebtedness or reducing macroeconomic discipline. We proceed from **strictly liberal** principles and from the endeavor to define an **effective minimum role for the state**. Our aim **is not** a selective type of comprehensive industrial policy that redistributes resources to—apparently—prosperous enterprises, businesses, sub-branches, or whole branches of the national economy through the state budget. This policy **did not bring** any significant advantages to advanced countries in the past; it merely increased bureaucracy and strengthened various power groups in society, led to the inefficient allocation of existing resources, and reduced entrepreneurial initiative since every redistribution requires resources acquired by the state by unjustly taxing the successful. We are prepared to take steps (and we have already taken them in some cases) where the situation requires, whether this is in the conversion of the armaments industry sphere, in agricultural policy, or in some of the programs associated with energy and ecology. Plans for publicly beneficial projects—first and foremost, in the transportation and communications infrastructure spheres—have been drawn up and will gradually be implemented in accordance with the state budgets' possibilities. All of this **forms part** of the government's economic policy and is merely the natural continuation of the economic reform that has already been initiated. This is not destruction, either controlled or uncontrolled. It is a **serious policy** that, besides several difficulties, is already producing its first positive results.

Spokesman: EC Observers Welcome Soon As Possible

AU0110123891 Paris AFP in English 1231 GMT 1 Oct 91

[Text] Budapest, Oct 1 (AFP)—Hungary would be happy to receive European Comunity (EC) ceasefire monitors along its frontier with Yugoslavia "as soon as possible", Foreign Ministry spokesman Janos Herman told AFP Tuesday.

On Monday overnight, a Yugoslav shell hit a parked car at the Hungarian Alsoszentmarton border post, spokesman Janos Zubek said Tuesday.

Hungary called for observers to be sent to its southern border following Yugoslav federal charges that Hungary violated Yugoslav airspace and covertly delivered weapons to Croatia mid-September.

The request also followed a number of violations of Hungarian airspace by Yugoslav fighter planes which often fired at Croatian targets while still over Hungary.

Hungary was ready to welcome EC monitors along its southern border in a couple of days, Herman said.

"Obviously, a vast number of details have to be clarified, but Hungary would be glad to receive them as soon as possible", he said.

The Hungarian Border Guard has formally protested about shots fired into Hungary and a fresh violation of its airspace on Saturday to the Yugoslav head of a joint Hungarian-Yugoslav committee, set up to investigate border incidents, Zubek said.

He added that 250 more Yugoslavs had asked for temporary refuge in Hungary overnight Monday and that border guards arrested two Yugoslav gunrunners at the Dravaszabolcs crossing point to Yugoslavia during the night.

Hungarian officials assessed the number of Yugoslavs who have fled to Hungary at around 30,000 but only 5,500 have officially sought help, Zubek said.

SFRY Requests Easing Border Crossing Controls

LD0110145891 Budapest Kossuth Radio Network in Hungarian 1400 GMT 1 Oct 91

[Excerpt] At a Yugoslav-Serb request, Hungary is ready to examine how Yugoslav transit traffic, which has increased on account of the fighting, could be eased. Foreign Affairs Spokesman Janos Herman recalled that Hungary has already taken many steps to ease the control of border crossings. [passage omitted]

Implications of SFRY Economic Collapse Viewed

LD2809151191 Budapest Kossuth Radio Network in Hungarian 1000 GMT 28 Sep 91

[Text] If there is no complete laying down of arms within a definite time in Yugoslavia, then in the first half of October, the Yugoslav economy will completely collapse, and this can only be bad for us, too. In this case, a flow of economic refugees will start off in our direction, and we will not be able to carry out our tasks easily. This was stated by Dr. Tamas Katona, foreign affairs state secretary, at the first national forum of the Christian Democratic People's Party's self-government union in Vac this morning.

In his speech, he mentioned that there are still two dangerous flashpoints in Europe. One is the Titoist Yugoslavia, the other is the Soviet Union, in which they still have not managed to wind up the Stalinist structure.

In his opinion, the Hungarian Government is very right not to hurry in recognizing Croatian and Slovenian independence for this, at the moment, would result in immeasurable dangers, the anger of the Serbs descending on the Magyars living there.

On another subject, Tamas Katona mentioned that what happens in Europe is what Germany and France want. If we really want to join Europe, then we must not cast glances first toward the United States and Japan, but we must consolidate our relations with the aforementioned two countries and, of course, with neighboring Austria, the state secretary said.

Spokesman on UN's SFRY Decision, Economy

AU3009103991 Budapest MTI in English 1855 GMT 26 Sep 91

[Text] Budapest, 26 September (MTI)—The Hungarian Government welcomes the resolution of the U.N. Security Council on the situation in Yugoslavia. It fully shares the Council's concern over the crisis that emerged in Yugoslavia. The Security Council resolution is an important contribution to the European efforts aimed at settling the crisis. The Hungarian Government will act in full compliance with the resolution and, as it did previously, continue to observe the total and general ban on arms deliveries. The government hopes that the crisis can be settled through united international efforts, Government Spokesman Balazs Laszlo said. Balazs, together with spokeswomen Judit Juhasz, briefed the press in the interval of the government session.

In its Thursday session, the government approved a report on the guidelines for next year's budget, and authorised the finance minister to present the document to parliament on October 7. Under the guidelines, the budget should promote the country's economic policy priorities, first of all the curbing of inflation and maintaining the rate of unemployment on a still tolerable level. The deficit of the central budget should not exceed 80 billion forints.

The government discussed the country's economic situation this year and its prospects for 1992. This year, Hungary's main economic processes are determined by the larger-than-expected decline in trade with the East European countries. Exports to the former COMECON countries are likely to drop by 55-60 percent, as against the 30-percent decrease prognosed earlier. Although Hungary's sales to the traditional hard-currency markets will continue to increase, exports as a whole are likely to drop by 7-10 percent. Due to the switchover to convertible accounting, Hungary's terms of trade are to deteriorate by 6-10 percent. Domestic demand is likely to decrease by 7-8 percent. The country's production and gross domestic product are to drop by 6-8 percent as against the former prognosis of 4-5 percent. The number of jobless people may reach 280,000-300,000 by the end of the year, more than expected. The deficit of the balance of payments should not exceed 400 million dollars this year and 500 million dollars in 1992.

Next year, exports to the traditional hard-currency markets are expected to increase by 8 percent and sales to the former COMECON region drop by another 10-13 percent. All in all, Hungarian exports may increase by 5-6 percent. If the economic prognoses prove to be correct, production and the GDP may increase by 1-2 percent. Wages and salaries are to go up by 16-17 percent, and gross incomes from work by 20 percent.

Foreign Ministry Welcomes Bush Arms Proposals

LD0110123291 Budapest Kossuth Radio Network in Hungarian 1100 GMT 1 Oct 91

[Report by Istvan Kulcsar on press briefing by Foreign Affairs Spokesman Janos Herman; place and date not given]

[Text] The Hungarian Foreign Ministry welcomes President Bush's announcement on the reduction of U.S. nuclear armaments, the Foreign Ministry spokesman said.

He stated that at the Moscow conference on human rights they are now formulating the closing document. He expressed his hope that the document will reflect, among other things, the Hungarian proposals aimed at ensuring the self-determination of national minorities and at keeping armed forces under political control.

Janos Herman concluded by saying that, after the Hungarian-Czechoslovak-Polish summit meeting in Kracow, Prime Minister Jozsef Antall will pay an official visit to Poland. In the course of this visit, discussions will center on bilateral, mainly economic, issues, he stated.

MAGYAR HIRLAP Views Speech

AU0110113791 Budapest MAGYAR HIRLAP in Hungarian 30 Sep 91 p 7

[Editorial by Hanna Szalay: "A Safer Life for Us—One Day"]

[Text] President Bush's unilateral disarmament announcement is undoubtedly of great importance, particularly if the Soviet Union adheres to it and it really is implemented. However, it will be a long time until then—at least 10 years. In the meantime, the number of questions raised in relation to the U.S. initiative will probably exceed the number of questions answered by the initiative when it was announced.

The risk of an accidental nuclear conflict in Europe or between the two superpowers will probably be greatly reduced. That is an advantage not to be neglected. However, the Bush announcement openly stated that its motivation did not lie in this constructive interest. The real motivation was, rather, the dilemma caused by a disintegrating Soviet Union: The—presumed or real—Soviet nuclear threat to Western Europe and the United States has ceased to exist to a certain extent, and this has made it difficult to tell who will gain control over short-range missiles and warheads (concealable ones, like the ones demonstrated by Iraq). The U.S. president would like to eliminate this uncertainty to whatever extent he can. In other words, he wants to do it quickly, while there formally still is a Soviet Union, and while there is someone who can talk responsibly about the fate of these "toys."

This "someone" is Mikhail Gorbachev. President Bush has given Gorbachev something that the Soviet generals did not obtain, despite years of hard bargaining: the withdrawal and partial scrapping of cruise missiles stationed on the waters around Europe. However, Gorbachev was not offered the freezing of the Trident submarine program, which is seen as the third leg of the U.S. nuclear triad, nor was he given the SDI (also known as the star wars program), that the U.S. president practically promised to continue with in his televised speech on Friday night.

Let us remember: SDI was the Soviet superpower's actual Waterloo. That was the competition where the sclerotic Soviet economy no longer stood a chance—it had neither the financial strength nor the spiritual ingeniousness. In that sense, SDI grew into a symbol, and symbols are not usually scrapped—particularly not when you consider that the end of the Soviet strategic threat does not represent the disappearance of all nuclear threats off the face of the earth. We are already in permanent fear of do-it-yourself atom bombs, but faced with these bombs, it is doubtful whether our most efficient tools are "sensible pebbles" (as [nuclear physicist] Ede Teller would say). Then we have China, which recently became a signatory to the nuclear non-proliferation treaty and tacitly complies with the other international agreements on nuclear self-limitation; nevertheless, China still advocates a socialist state moral, so in principle, we cannot exclude the possibility of China wanting to give a nuclear emphasis to the "superiority" of socialism. From that point of view, it is rather noteworthy that Beijing—a nuclear power and a permanent member of the United Nations Security Council—only reacted to the Bush statement 48 hours after the announcement of the initiative.

Thus, one can really agree with the U.S. president: Our world will (only) be a little safer—one day.

Envoy Interviewed on Soviet Treaty Preparations

LD2709220591 Budapest Kossuth Radio Network in Hungarian 1630 GMT 25 Sep 91

[Interview with David Meiszter, deputy state secretary at the Ministry of Foreign Affairs, by Istvan Kulcsar; place and date not given]

[Excerpts] The Hungarian-Soviet negotiations have been successfully completed in Moscow. Envoy David Meiszter has told journalists that the talks with Deputy Foreign Minister Deryabin have ended, and the treaty is awaiting signature. Istvan Kulcsar interviewed the secretary:

[Begin recording] [Kulcsar] Mr. Deputy State Secretary, have you succeeded in completing your negotiations in Moscow? [passage omitted]

[Meiszter] Yes. This means that the whole negotiation process has been completed in view of the fact that we have finalized the text of the treaty down to the last letter. [passage omitted]

[Kulcsar] Certain Soviet sources, after the failure of the putsch, when writing about the talks between the Soviet Union and the [word indistinct] Central and East European countries regarding treaty negotiations, wrote about a Kvitsinskiy Doctrine, referring to the formula, or clause, under which the countries in question would not be members of an organization that could be described as hostile from the Soviet view. Is there a trace of this formula in the text now completed? [passage omitted]

[Meiszter] Naturally, there is nothing of this formula in the treaty.

[Kulcsar] What are the most significant points of this draft treaty?

[Meiszter] [passage omitted] It is a new type of treaty, because it is based strictly on equality of the sides. The rights and obligations are identical regarding both contracting parties. There is no assymetry whatsoever. It is a new type in the sense that it contains a very carefully formulated security formula, in contrast to the meaning of the so-called Kvitsinskiy formula. [passage omitted] There are three elements in this very carefully formulated security clause. The first element is that the treaty does not limit the parties in seeking their countries' security guarantees in multilateral security structures. [passage omitted] The security clause does provide so-called negative security guarantees to the contracting parties vis-a-vis each other. In other words, it provides a guarantee that they will not organize aggression against each other and not allow the use of their territories for aggresssion by a third party. [passage omitted] It lays down self-restraining behavior for the sides regarding troop movement of the two sides near the common border. This means that the sides think with the head of the other side when deploying their troops in the border area, and thus deploy these troops in such a way that they do not create a sense of danger in the mind of the other side.

[Kulcsar] In other words, it is a treaty strengthening trust. [passage omitted] Our most immediate neighbor is the Ukraine, whereas a little further—but still very important—there is Russia, the largest member of the Soviet Union. Was there discussion during your negotiations in Moscow, or can there be talk in general, that we directly sign a treaty with these republics?

[Meiszter] We have ensured this in the treaty. There is an article in this treaty that states that the treaty does not limit the sides to establishing a similar contractual situation with the sovereign republics of the Soviet Union. [passage omitted]

[Kulcsar] What is the timetable? [passage omitted]

[Meiszter] The treaty must have an initial signing officially recognizing it as completed and recognizing that this text is considered acceptable on the government level. We have in mind the first half of October for the initial signing to take place. Then the treaty can be signed.

[Kulcsar] The original idea was that when the draft is ready it would have an initial signing by the foreign ministers and then, presumably, be officially signed by the prime minister on the Hungarian side. Is there any agreement on this?

[Meiszter] There is no agreement yet on this, because we are now trying to solve a technical problem. The people involved have extraordinarily crowded agendas, and we are looking at whether it can be coordinated at all.

[Kulcsar] It may be said that this is not the principle side of the matter but its practical one.

[Meiszter] Yes, this is the case. We must examine this on a charge d'affairs level. [end recording]

KGB 'Witness' Discusses Former Activities

AU2609150591 Budapest MAGYAR HIRLAP in Hungarian 25 Sep 91 pp 1, 3

[Interview with an unnamed KGB witness by Gyorgy Andras Lengyel; place and date not given: "THE WASHINGTON POST Information Is Probably Authentic—KGB Bridge Over the Tisza River"]

[Text] A witness (a potential crown witness) who is perfectly well acquainted with the Soviet secret service believes that THE WASHINGTON POST's information—according to which the Soviet State Security Committee collaborated in overthrowing Nicolae Ceausescu and the preservation of the communist regime—is probably authentic, but the KGB's most important "coverage area" in December 1989 was definitely not Hungary. The following interview also reveals that the KGB agents working in Szeged tried to establish links in Vojvodina and find conspiratorial meeting places in the province,

well before the withdrawal of Soviet troops from Hungary and the outbreak of the Yugoslav civil war. Naturally, we will not give you the name, age, or profession of our informant, nor will we tell you how and when the informant came into contact with KGB agents: Indeed, it would be easy to identify the informant through the interesting background story. [the informant will be referred to as "witness"]

[Lengyel] To start with, perhaps you could describe a KGB "field" agent!

[Witness] There are several different types. Two KGB residents lived in the Soviet barracks in Othalom, near Szeged, right up until the final troop withdrawal. The soldiers and the officers did not really take a liking to them—to put it mildly—but this did not particularly disturb the agents. They lived their own lives; they liked to drink and get drunk in the company of Hungarians, and at the same time they gathered information, of course. However, I became more familiar with a different kind of agent, namely the travelling agent.

These people generally travelled in cars with Hungarian state license plates, and they had Hungarian Interior Ministry identity cards and firearms licenses issued by the Hungarian authorities. During their visits to Szeged, they regularly upheld their contacts with high-ranking officials in the Csongrad County Police Headquarters. Almost without exception, they were intelligent people with high qualifications; they spoke the most beautiful Russian literary language, and most of them spoke excellent or perfect Hungarian, as well as numerous other languages.

They were not characterized by political fanaticism. Most of them openly supported the reforms spearheaded by Mikhail Gorbachev, and they worked with extremely great dedication. Admittedly, there was one extremely intelligent young Russian man (in his thirties) who was clearly ashamed of his activities. During one of his visits, he told a smaller circle of people that he abhorred the whole thing and that he was going to leave the secret service. We said good-bye. I have not seen him since.

[Lengyel] Which strata of society did the KGB recruit its "public activists" from?

[Witness] They never or hardly ever used the "services" of Soviet citizens staying in Hungary, and that can be explained in more than one way. Out of the Hungarian citizens, they were mainly interested in the high-ranking people who were active in serious scientific and social areas, the members of the existing political opposition, and parliamentary representatives who were in opposition or semi-opposition already under the one-party state. It is not very well known that Israeli citizens—not necessarily with an Israeli passport—studied at universities in Szeged at the time of the one-party state. Well, the KGB people asked about them remarkably often, and they also often asked about students from Arab countries, black Africa, and Western Europe. The agents also sought links with businessmen and salesmen, especially if they often travelled to our neighboring countries or the Soviet Union.

[Lengyel] In that case, they were no doubt interested in Romania, too....

[Witness] I am not an expert on Romanian affairs, and I do not know about the details of relations between the "liberal wing" of the Securitate and the KGB. I cannot claim that Hungary was the KGB's bridgehead for overthrowing Ceausescu, because the Soviet-Romanian border is quite long. It is a fact, though, that Romania had a separate department to deal with the uncovering of KGB agents, while KGB agents were free to come and go in Hungary, with state support. Although I would not go into details for many reasons, I can state "under oath" that "the Firm's" people worked with incomparably greater intensity in Szeged at the end of 1989 than ever before. This is where they were able to meet the most Romanian refugees, they were able to get the most information about the events of the revolution in Temesvar [Timisoara], and they could get information on aid deliveries—and on the personnel in wagons and trucks.... On the basis of my rich experience, I cannot doubt the validity of THE WASHINGTON POST's information, namely that the KGB had its fair share in the fall of Ceausescu. However, I must add that the agents who were operating in Szeged were not mainly interested in Romania, either before or after the Temesvar revolution.

[Lengyel] But in Yugoslavia?

[Witness] Exactly. I heard a KGB official saying many years ago that since the Soviet troops would sooner or later have to be withdrawn from Hungary, new conspiracy bases would have to be set up—especially given that a civil war was soon to break out in Yugoslavia. I laughed in the agent's face then. Since then, we have found out that the KGB's situation analysis was correct that time, as it always is. As for actual facts, the KGB approached a number of people in Szeged and asked them to give exact descriptions and take photographs of hotels, restaurants, and cafes—in other words, possible meeting places—in Szabadka [Subotica] and other towns in Vojvodina.

[Lengyel] Did the KGB suspend its activities in Hungary after the change of regime here?

[Witness] I have very well-founded reasons to believe that it did not.

[Lengyel] When did you last meet Soviet intelligence agents?

[Witness] In the spring of 1991. It was not a personal meeting; he telephoned me under the pretext of a business transaction....

Walesa Criticizes Closed Western Markets

LD0110121991 Warsaw Radio Warszawa Network in Polish 1105 GMT 30 Sep 91

["Excerpt" of remarks by President Lech Walesa in an interview with BBC Radio; place and date not given—recorded]

[Text] Poland is ready for compromise, but Poles know how to count. They know that, at the moment, the West is earning 10:1 in every direction on trade and carries on hampering our exports. We do not want to behave in the same way, because if we were to behave like the West, then nothing would come of our achievements and contacts. We hope that the West will come to see the sense of this. Go into the streets of Warsaw; look at the shops, and you will see that the West is here, but look whether it is the same with Polish goods in the West. So someone is having a joke here on Poland and the countries of East-Central Europe.

The West has been trading for decades. That is not cheating; that is the philosophy of life of the West. The West always did business only. Thanks to the West we have the present system, and the debts we have are also thanks to the West. It made loans to the communists. We do not want anything from the Community; we want equal treatment. (?Only) the Community does not treat us equally; it always treats itself more democratically than other countries. We have opened up. Look at the streets—the Polish, Czechoslovakian, and Hungarian ones—look at what is here, and then try and see our goods in the West. We only want equal treatment and access. We let the West in; the West has not let us in. So far the West has made money out of us, but not us out of the West. We will have to start defending ourselves.

In the fight with the communist system, even the West was with us, because it wanted to weaken both those states and communism. However, when there is no danger of communism, trade starts, and the West wants to make money from us. Before we were linked by great tasks—your fear of communism and our dislike of communism. Before there was greater involvement. We have overcome communism, but we have not solved the problems; great problems have remained, and I see a danger. What pleased us could now sadden us.

The shortsightedness of the West could cause our victory to be severely reduced and even cursed. I understand the West's economic philosphy—that you should do business wherever you can make money and not think about politics as we do. Here is a revolution; if the revolution is not molded into evolution at the appropriate moment, then it could go further or become even more dangerous.

Government Satisfied With EC Compromise

LD0210010191 Warsaw Radio Warszawa Network in Polish 2100 GMT 1 Oct 91

[Text] Government press spokesman Andrzej Zarebski says the government has expressed its satisfaction with the compromise reached by the EC Council of Ministers. However, he claims that this compromise does not answer all the demands put forward by the Polish side. He announced a detailed study of the new EC stand.

In relation to agricultural produce, the Polish side acknowledges the European Community proposals as a good working platform for further talks. At the same time, we are concerned that purchases as aid for the Soviet Union have been found as a substitute for access to the EC markets, says the statement given to journalists today.

Skubiszewski Ends U.S. Visit, Views Baker Talks

LD0210083891 Warsaw PAP in English 0417 GMT 2 Oct 91

[Text] New York, Oct. 1—In a statement for the PAP correspondent, Polish Foreign Minister Krzysztof Skubiszewski, who ended his week-long visit to New York Tuesday, referred to a joint meeting of the Polish, Czecho-Slovak and the Hungarian foreign ministers with U.S. Secretary of State James Baker.

Skubiszewski stressed that cooperation within the Visegrad triangle was functioning and developing already for many months now and that it was particularly good in the political and diplomatic areas. The New York meeting with the U.S. secretary of state was an external expression of the fact that there were common problems that could be discussed with a foreign state, he said.

Referring to the problem of U.S. investment in Poland, Skubiszewski said that his talks with James Baker showed clearly that it would start up when Polish law on the protection of industrial property, patents, copyrights and generally all rights concerning intangible goods reached the world standard. He underlined that if there was no important improvement in this area, there would be no western investments in Poland.

On the day of leaving New York, Skubiszewski met Ukrainian Foreign Minister Anatoliy Zlenko to discuss prospects for bilateral cooperation. The Ukraine reaffirmed its interest in opening its consulate in Kracow. According to Minister Skubiszewski, Poland does not see any obstacles and it is possible at any moment.

Both ministers pointed to the necessity to swiftly negotiate a treaty on cooperation and neighbourliness. They said it was also important to possibly promptly sign a bilateral economic agreement and the Ukraine is ready to do this at this moment. Poland has been ready to do this for a long time, Skubiszewski stated.

'Urgent Issues' in Lithuanian Relations Viewed

LD0110113291 Warsaw PAP in English 0455 GMT 1 Oct 91

[Text] Warsaw, Sept. 30—A discussion on the most urgent issues in the Polish-Lithuanian relations, aired

Monday in the Warsaw 3 Radio programme, was held between representatives of the authorities of the two countries who attempted to clarify some misunderstandings that arose between the two nations in the recent period.

The dissolution by the Lithuanian authorities lately of the Polish councils in the areas inhabited by ethnic Poles is considered the most controversial issue, as the Polish Lithuanians see this act as a limitation of their rights.

However, the Lithuanian President's Adviser Aurelius Katkiewicjus claimed in the radio debate that the Polish councils were dissolved because they violated the Lithuanian Constitution and legislation, and not because they allegedly supported the August abortive coup in Moscow, as some people believed.

On their part, government spokesman Andrezej Zarebski and Jacek Czaputowicz of the Polish Foreign Ministry denied all allegations that the classes in the Lithuanian language had been reduced in Lithuanian schools in Poland. Also, the present electoral law envisages due rights for ethnic minorities in this country, they said.

Paper Reports Number of Soviet Troops Remaining

LD0210042391 Warsaw PAP in English 1146 GMT 1 Oct 91

[Text] Warsaw, Oct. 1—About forty-five thousand Soviet soldiers still remain in Poland, Tuesday's GAZETA WYBORCZA daily reported.

The daily, summing up the withdrawal of Soviet troops from Poland since April 8, said that the 4,387 soldiers who left Poland came from Soviet auxiliary units, while the number of combat units in Poland remained unchanged.

The Soviets withdrew from Poland 85 tanks, 33 missile launchers, 97 combat vehicles and over 54 thousand tonnes of other military equipment. During the past months, the Polish state railways hired to the Soviet side 374 freight cars. Some of the soldiers as well as part of the military equipment was withdrawn in 2,190 Soviet vehicles which remained in the Soviet Union.

Soviet troops are also leaving Poland by air, using Soviet TU-134 transport planes, some of them making a one-way flight.

The timetable of the withdrawal of Soviet units from Poland has not been yet agreed upon, thus the number of soldiers to leave this country by the end of this year is unknown to the Polish side.

Up to now, the Soviet side has handed over to respective governors 958 empty military buildings and 1,821 hectares of land, the paper stated.

Balcerowicz Treated for 'Nervous Exhaustion'

LD0110122691 Warsaw Radio Warszawa Network in Polish 1200 GMT 1 Oct 91

[Text] Deputy Prime Minister Leszek Balcerowicz, the architect of Polish economic reforms, is undergoing treatment for nervous exhaustion in one of the [medical] centers belonging to the Council of Ministers. According to the director of the government press office, this is a short-term treatment, and in the coming week Deputy Prime Minister Leszek Balcerowicz will return to his duties.

Zarnowiec Nuclear Power Station Contract Canceled

LD0210011291 Warsaw TVP Television Network in Polish 2205 GMT 1 Oct 91

[Text] The government has terminated the contract with the Soviet Union on the joint construction of the Zarnowiec nuclear power station.

The Council of Ministers adopted draft amendments to the Polish State Railways [PKP] act. All construction and repair plants will be separated from that enterprise. The draft envisages that people employed by these firms will be subject to the same pension regulations as PKP employees. The stipulation was made, however, that they must have worked for PKP for not less than 15 years.

A team set up by the government is to examine the situation in the arms industry. The Ministry of Industry has proposed that only eight of the 80 firms in defense production should be given the status of state armaments plants. Another 24 enterprises, as state treasury companies, would be controlled by the Ministry of National Defense. To improve their finances, the Council of Ministers envisages issuing credit guarantees.

The government anticorruption bill makes the provision that civil servants may not be members of the boards of companies or have shares in them. They will make at least semiannual property declarations and declarations of spouse's earnings. Sejm deputies and senators will be barred from membership in boards of state treasury companies.

The Council of Ministers passed the draft ecology policy tabled by Minister Maciej Janicki for interministerial discussion. It was decided that the financing of environmental protection must not be done exclusively from the state budget. Foreign investors participating in the privatization of the Polish economy should be included in this process.

Supreme Court Rejects 'Party X' Appeal

LD0110125291 Warsaw TVP Television Network in Polish 1615 GMT 30 Sep 91

[Text] The Supreme Court today rejected an appeal by the national electoral committee of Party X against a

decision by the State Federal Commission, which refused registration of this party's national electoral list.

Opinion Polls Shows Electorate's Party Shifts

LD0110103591 Warsaw Radio Warszawa Network in Polish 0700 GMT 30 Sep 91

Text] The [Democratic] Union Leads; A Low Turnout. Under this headline RZECZPOSPOLITA presents the results of an opinion poll held by the Center for Public Opinion Research [CPOR] after the television "Election Studio" had begun. In spite of the fact that the election campaign has begun in earnest, no growth in the electorate's readiness to take part in the elections has been noted. On the basis of the recent data, the turnout is estimated at 43 percent. Great changes have been noted, however, in the electorate's choice, especially of the rural electorate. The Polish Peasant Party, after the breakdown in its poll caused by Roman Bartoszcze being removed from the party, has regained a considerable proportion of the vote. This has happened naturally at the expense of the Peasant Agreement [Porozumienie Ludowe] Alliance, undoubtably the strongest peasant grouping in the last August poll. The situation of the Liberal Democrat Congress, the party of Prime Minister Bielecki, has also worsened: It lost one-third of its electorate of a month ago. The number of people prepared to vote for Party X has not fallen considerably. Despite the fact that the party is not being allowed to take part in the elections in most of the districts, more than 6 percent of those polled still declare their readiness to vote for it.

The greatest growth in support next to the Polish Peasant Party was noted by Labor Solidarity, the Democratic Left Alliance, and the Christian Democrats. With the start of the campaign, important regroupings have taken place on the political scene. However, it cannot be said that the situation is getting any clearer. Indeed, the supremacy of the Democratic Union over the remaining competitors is clear, but Solidarity, which is second in the ranking, is separated only by 3 percent of the votes from the Citizens Alliance Center, which is in ninth place.

The ease with which the electorate fluctuates between parties, RZECZPOSPOLITA observes, suggests that considerable changes in voting choices are going to take place right up to election day. No political party can be sure of success.

Progress of Enterprise Privatization Reported

LD0110141891 Warsaw TVP Television Network in Polish 1830 GMT 30 Sep 91

[Excerpt] [Announcer] A hundred state enterprises will be privatized by the end of the year. Preparations for general privatization have been completed in over 200 firms, and 17 enterprises are already up for public sale, for example, Swarzedz and Zywiec. The next one to be offered for public sale in the coming months will be Wedel.

[Unidentified correspondent] Sixteen out of 160 state enterprises put up for quick sale by the voivodas have already changed hands, and 600 firms have been crossed off the state register. More than half of the liquidated enterprises were on the verge of bankrupcy. According to the ministry, privatization in the chemical, engineering, and paper manufacturing sectors is developing well. According to Minister Lewandowski, privatization aims in quantitive terms will be realized by the end of the year. However, profits from privatization will be lower as a result of the slower sale of large enterprises. They will amount to seven billion zloties, half of what was planned. [passage omitted]

Prime Minister Roman Views Government Crisis

PM0210112091 Paris LIBERATION in French 30 Sep 91 pp 23-24

[Interview with outgoing Prime Minister Petre Roman by Veronique Soule in Bucharest—date not given]

[Excerpt] [passage omitted] [Soule] You described the recent miners' riots as a "neocommunist putsch." Can you explain your thinking?

[Roman] You must first understand the aim of this putsch. It was to defeat the government and its action to consolidate democracy and economic reforms.

The elements of this putsch were as follows. First, they stirred up the miners in the Jiu Valley—people who were known to be available for this kind of action. It is also important to remember that, during the past two months, around 4,000 people have been fired in that region for disciplinary reasons. This manipulation (of the miners—LIBERATION editor's note) was not carried out on an economic basis but on a political basis focusing on themes such as: We have lost our privileges, we are no longer a vital sector of the economy, privatization is the enrichment of the bourgeois, and so forth.

Second, there was very professional action taken by members of the former Securitate network. There was a press campaign, accusing the government and me of corruption. That was mere slander, but it was repeated rather in the style of Goebbels.

Finally, Senate Chairman Alexandru Dirladeanu (a former leading Communist—LIBERATION editor's note), an old and very faithful Stalinist, gave the final signal. He completed that manipulation in a populist style, using slogans such as: Down with privatization, Don't sell the country.... All these elements gave the starting signal.

[Soule] What role did President Iliescu play?

[Roman] I know President Iliescu very well because I have worked with him right from the early hours of the revolution in December 1989. I am convinced that he is not involved in this affair. But I profoundly regret that he went so far as to sign a document with people who were breaking the law (the miners—LIBERATION editor's note). The dignity of the institutions must be preserved.

[Soule] Could the head of state have avoided sacrificing you?

[Roman] After the government was sacrificed, so to speak, what happened? The protest continued, this time demanding the president's resignation. That was obviously not a solution. I still refuse to believe it, and I do not accept it.

[Soule] I must insist: Could Iliescu have avoided sacrificing you?

[Roman] I think I have answered. This is demonstrated by the fact that after laying down my mandate—I do not use the word resign and I repeat that I did not resign—with a view to a political solution, the violence did not end. I think I have given a clear answer.

[Soule] Were you surprised by these events?

[Roman] There were signs. But we were the victims of disinformation. Those who ought to have informed us practiced disinformation. I acted as a responsible leader: I signed an agreement with the Jiu miners' trade unions, and the general strike was officially cancelled. But I ought to have had information showing me that that was merely a facade and that the strike was starting. That is a serious mistake by the apparatus that ought to have informed us.

[Soule] Whom do you accuse?

[Roman] This must all be clarified according to the rules. I will not speculate.

[Soule] What role did miners' leader Miron Cosma play?

[Roman] He is a very unstable man who is far too ambitious and was manipulated. He did not understand what was going to happen. And when he realized, it was too late.

[Soule] Nonetheless, you had become unpopular. How do you explain that?

[Roman] Unpopular? Quite the reverse. According to a recent opinion poll conducted in early September but which we did not have time to publish, the prime minister has the support of 51 percent of people with 34 percent against. That is not a bad score. It is true that it is a drop of six points compared with March. But I could also tell you about reasons for dissatisfaction. The economic reform has costs that the social mentality we inherited cannot tolerate.

[Soule] Did you not make a mistake by not adequately explaining the meaning of these reforms?

[Roman] That is true to some extent. We opted for radical economic reforms, because we were already lagging far behind and our economic structures are completely outdated. It was a necessary choice. But we disregarded the fact that communist-style resistant structures could still influence public opinion with populist slogans. At a given time, we should have explained rather than taking action. But it was impossible to do everything.

[Soule] So you were forced to abandon government?

[Roman] Sometimes you have to have the courage to leave government. But it must be done under democratic conditions, in other words, after a vote of no-confidence in Parliament or after elections. However, none of those conditions applied. I therefore think that I did not leave government under democratic conditions. But, since I

said that I was placing my post at the disposal of the president and of Parliament, I accept the consequences. In any event, the future government will be a transitional government and will even be in office for a very short time. What we need now are elections.

[Soule] And you will not be prime minister of that government?

[Roman] Definitely not.

[Soule] But you do not rule out the possibility of being prime minister again?

[Roman] The country will decide.

[Soule] Did you participate in the negotiations on the formation of this government of openness?

[Roman] Of course. I am the leader of the National Salvation Front [FSN], and following an extraordinary meeting of the front leadership on Saturday, I was given a mandate to lead those negotiations.

[Soule] How many ministries will you demand?

[Roman] That is not important. This government can only reflect some adjustment of the 20 May 1990 election results (the FSN obtained two thirds of the votes—LIBERATION editor's note).

[Soule] Does that mean that you want the FSN to have a majority?

[Roman] We are demanding that the future prime minister should have the support of the FSN, even if he is not a member of it, and that the Front should have a relative majority of portfolios.

[Soule] What do you think of General Stanculescu (industry minister in the Roman government—LIBERATION editor's note) being appointed prime minister, as is being widely suggested in Bucharest?

[Roman] I spoke to him yesterday. He is clearly opposed to it. It is unthinkable that we should now have a government that gives the image of a military cabinet.

[Soule] The opposition thinks that the FSN has lost a great deal and that the election results are no longer valid. What is your answer?

[Roman] The opposition has often disputed the election results but without being able to prove that they were not free. At all events, these elections were only for a transitional government, elected for two years.

[Soule] Will the power vacuum continue?

[Roman] I hope not. To avoid that vacuum, the government met on Saturday evening to discuss current business and we were forced to admit that all our financial and economic links were broken. We, therefore, dealt with the most urgent matters, with energy supplies and the continuation of agricultural work.

[Soule] Are you not now rather bitter?

[Roman] You may think so. In fact, I am not bitter about my career. But I am seriously worried about the country's situation. We all have the impression of having gone back a year or even two years. That perhaps makes me bitter deep down inside.

All our current plans have been halted. Furthermore, the national currency was due to become convertible around now. Everything was ready. This would have been the final stage in the economic reforms. It is rather frustrating.

[Soule] Do you feel you have been the victim of the reforms and of the painful transition to a market economy?

[Roman] No, I do not think I personally am a victim. Ours is nonetheless the government party, the party that is by far the biggest in the country and that confirmed its confidence in me yesterday. I must, therefore, continue my political action. We must now win the elections to pursue the reforms, complete our integration into the international community and complete democratization.

Senator Voican-Voiculescu Addresses Parliament

AU3009214091 Bucharest Programul Unu Radio Network in Romanian 1700 GMT 30 Sep 91

[Speech by Senator Gelu Voican-Voiculescu to the Parliament in Bucharest on 30 September—live]

[Text] Ladies and gentlemen, first I want to express thanks. Following the serious events that happened in our country and in Bucharest from 24-28 September, I propose that a parliamentary investigation commission be immediately set up to examine the causes for these incidents and to establish who the author was.

I advocate this because, since July, I have been in the possession of significant information, and these days, as you could note, I was absent from the Senate, and I followed the development of events closely. I traveled to most areas concerned and, without being recognized, I had direct contact with the situation under numerous circumstances. Yes, nevertheless, it was possible.

To understand the sense of this coup, which aimed to overthrow all democratic institutions and to eradicate the results of the December revolution, permit me to return a bit to the past, although I will delay things a bit. You will note that my report is just a summary. I do not possess all the details, but I assume responsibility for what I will report here. I will go into some detail in order to emphasize the deep roots of what happened.

As early as July 1991, information emerged that clearly proved the existence of an organized subversion aimed at removing the current democratic regime. I entrusted this information to the commander of one of the three state bodies in charge of national security, and then to the interior minister when he returned from his vacation.

It seems that this clandestine organization was set up in March 1990. Initially, its activity was coupled with that of the Socialist Party of Justice with GLASUL as its organ. The initial group was headed by Reserve Colonel (?Cazacov) from the First Security Directorate, together with other reserve officers. They were involved in the June 1990 events, which that group had prepared in May. The purpose of these actions was to hamper the beginning of democratic life on a parliamentary basis and to compromise this new regime. This action was characterized by a revanchist aim directed against the December revolutionaries, who overthrew Ceausescu's dictatorship and who were now part of the new ruling team. Colonel Cazacov then opened a Soviet-Romanian import-export company, the first and only one of its kind, and the money came exclusively from Moscow.

After finalizing a network throughout the country on the basis of strict conspiracy, they proceeded to a psychological war through the press. The main objective on which the attacks focused were the prime minister and his team, as well as the reform program. Several centers of activity against the leaders of the 1989 December revolution were created, and a comprehensive program was worked out with the aim of systematically compromising and discrediting them. Officers infiltrated into various newspapers, and such publications as ROMANIA MARE and EUROPA, which were created in the summer of last year, even became their own press and implicitly propaganda organs. Reserve Major Nicu Silvestru was the counselor of EUROPA and Reserve Colonel Petrisor of ROMANIA MARE. Obviously, this clandestine organization also attracted numerous party activists, such as Ilie Neacsu, the chief editor of EUROPA and former secretary in charge of propaganda somewhere in Vilcea County, who became one of the important people of this group incorporating mainly retired or reserve former Securitate officers.

I do not want to give birth to abusive generalizations through what I am saying here. This does not mean that I am blaming all former Securitate people. I am consistent in the position I held at the beginning of 1990, when, as the commander of the State Security Department after General Vlad was arrested, I clearly distinguished between the spirit of this institution and its workers.

In dismantling this institution, I believed that the former Securitate members were redeemable, and a major part of them were included into the new information structures. I launched an appeal [words indistinct]. Then I struggled to halt the political trials against former members of the Political Executive Committee and top figures from the Securitate apparatus by pleading for the pardons of the people sentenced. I am consistent in this attitude even at this point, and I am convinced that only some of the former Securitate people, especially the older ones who have already retired, [words indistinct]. Along with other party people nostalgic about the power of expression that they had exercised completely arbitrarily by disregarding any laws, these people, who cannot adjust, have organized within subversive networks. As you see, people you prevent from dying do not let you live.

Certainly, in their reactionary and revanchist plans, they probably were able to attract a few former Securitate officers—who today are active in the Romanian Intelligence Service [SRI] or in the Interior Ministry—into the net of guilty complicity. Their number is a small one, however, and proof of the fact that the majority does not support these retrograde and conservative actions is the very fact that others, also former Securitate members, felt duty-bound to provide information on the basis of which I am describing this picture, and this is where I close this explanatory bracket.

The emergence of the Communist Party under the mask of the Socialist Party of Labor [PSM] gave an impetus to the activity of this clandestine network, and people with higher positions in the former Securitate and, at the same time, members of the new PSM became its leaders. A genuine osmosis began between this party and the clandestine organization. The party represented the visible formation with a democratic appearance and prepared to get involved in the parliamentary struggle by working publicly and openly, while the clandestine organization had a strict and coherent hierarchic structure representing a secret vanguard that assumed violent actions and the orchestration of aggressive press campaigns. Thus, EUROPA became the official organ of the PSM, along with the slanderous press campaign of Ilie Neacsu, who coordinated the meeting of some mayors in Arges, Olt, and Vilcea Counties in connection with a common platform of action. A certain (?Urtanu), first secretary of Dragasani, was the one who carried out this initiative in the field, which aimed at slowing down the application of the land law, spreading among farmers the rumor that all shortages are to blame on the government and the prime minister, maintaining a close relationship with police officers and noncommissioned officers, advocates of the ideas spread by EUROPA, and favoring future local elections of the PSM. In February 1991, the ideological department of this subversive group proposed the intensification of the campaign against the prime minister and the initiators of the reform. Aside from EUROPA, articles had to be published in various other newspapers of wide circulation. They also proposed to blackmail some journalists because of their past cooperation with the Securitate. What they pursued in general, was to compromise all people who had been involved in the revolution, and thus the very idea of the revolution, which should have been described just by the phrase of the events of December 1989.

Stress was to be placed on the charge of corruption against the prime minister, the main architect of the reform, and against the revolutionaries in general, in the belief that this would make a public impact. In the first stage, President Iliescu was to be protected, because they were unable to fight everyone at once and because they were convinced that he is greatly admired by the population.

As early as May 1991, a former Securitate agent, Radu Nicolae, a reserve Navy officer, who was in the pay of the Libyan intelligence service, involved EUROPA in an extensive anti-Semitic campaign that began with its No. 24 issue. This campaign continued in each following issue up to this time, in the manner of the most primitive type of nationalism. What was pursued was the idea that 5,000 Jews dominate our entire society, holding key positions in the government and spread throughout the Senate and Deputies' Assembly, and in general holding the main management jobs in the public administration structures. An aberrant rumor of Romania's colonization by emigrated Soviet Jews was also launched.

This anti-Semitic diversion was to be fanned through hatred against Jews, and the main dissatisfaction with the generated difficulties were to be linked inevitably to the process of transition to a market economy. ROMANIA MARE was also involved in this campaign through Aviation Colonel Radu Teodoru, an active member of the subversive group, who was also present at the recent events of September.

In July 1991, a clandestine group in Cluj, which was set up from a nucleus of the members of the Pro-Transylvania Society, headed by a general and sponsored by Josif Constantin Dragan, inspired by the leftist nationalist ideology, decided to improve the current situation by removing the prime minister, some participants in the revolution, and some Magyar leaders or prominent figures of the opposition. This subversive group, with EUROPA as its organ, made common cause with the group in Cluj through Reserve Colonel Ion Grecescu and assumed the responsibility to organize subversive actions in the manner of real professionals.

Thus, the affair of the blacklists appeared, which was commented on recently in the press. The organization in Bucharest, after numerous versions, imposed its own list. The prime minister was at the head of the list, followed by those who were present at Ceausescu's trial—General Stanculescu, myself, Colonel Bucurel Florescu, and Virgil Magureanu, who was also to blame for the dismissal of 1,600 Securitate people from the Romanian Intelligence Service. We were to be killed in Tirgoviste, in the same place where the great national hero Ceausescu was sacrificed. They reckoned that this would have a decisive impact on the population. The number of targets of these subversive actions varied from 12-14 candidates. This action was to be carried out against the background of massive popular dissatisfaction and was to represent an example of punishment in order to wake up the nation. It seems that this action was orchestrated by the Soviet conservative communist forces, which staged the state coup in Moscow. Soviet news agencies spread the news that the Soviet General Prosecutor's Office—confiscating the documents of the various services involved in the coup—found proof in the archives of Pugo, former minister of interior, in connection with a number of people in Romania, some of whom even held certain positions.

Along with the putschists in Moscow, the clandestine group in Bucharest was to begin the action. The intention was to capture the prime minister at Otopeni Airport when he returned from abroad [date indistict]. Therefore, he landed at the Military Airport. On 20 August, a mass demonstration was planned with big plants such as Faur and Vulcan. They counted on simultaneous unrest in Tirgoviste, Pitesti, Campina, Brasov, Calarasi, Oltenita, and Galati.

Nothing came out of this except in Galati, where an attempt was made to take over the Prefect's Office. To their great merit, the working people of Bucharest and other cities did not let themselves be instigated, at those internationally dramatic moments, by the clandestine communist cells of the PSM [Socialist Party of Labor]. The intervention of the Fratia trade unions was salutary.

On the night of 19 August, the death teams were supposed to proceed, carry out the liquidatation of those mentioned on the list. At 2300 hours, faced with the failure of the putsch in the USSR, the Bucharest criminal directors countermanded the operation. The Soviet inspiration of this action—also proved by the regular financing of EUROPA magazine by NOVOSTI agency—denotes the falseness of the patriotic claims of this group which, through its anti-national activity, is actually a high-degree traitor.

Due to the collapse of the Moscow coup, the Bucharest subversive group momentarily went through a state of some confusion, after which it reviewed its intentions by planning a coup in the middle of September.

There was much talk about intensifying propaganda among miners at the PSM Congress. Ilie Verdet—actually coming from that area in [name indistinct], former prime minister during the 1977 strike, and then minister of mining, was well known in the respective milieu. The contacts with Miron Cosma were made through the Craiova representative of the Socialist Democratic Party. The aim was to draw this influential local leader—an all-out egomaniac fascinated by the destiny of Lech Walesa—on their side, by promising him the position of prime minister.

As of 1 September, a National Agency of Investigations was set up in Rimnicu Vilcea, a society of private detectives with branches and bureaus in all the country's towns, particularly in county seats. Under the apparent command of reserve Colonel Arsene, this agency offered a public screen for remaking the structures of the former Securitate.

Also at the beginning of September, the last page of issue 41 of EUROPA magazine carried a strange advertisement representing a coded message for unleashing the coup that recently took place in Bucharest. The key word was the messenger [mesagerul]. The text also contained

references to the Rimnicu Vilcea National Agency of Investigations and various telephone numbers. The Interior Ministry leadership tried in vain to decipher the meaning of this coded message. For the plotters, the events of the last days in Bucharest were called The Messenger Action.

It was decided, contrary to the putsch in Moscow, to act from the bottom, with a broad mass basis, by counting on the complicity of some elements from the SRI [Romanian Intelligence Service], MI [Ministry of Interior] and even MAPN [Ministry of National Defense]. They counted on the adoption of an overall passive and defeatist attitude.

Although the labor conflict had been resolved on Monday, 23 September—following that on Friday, 27 September, after Prime Minister Petre Roman's return from Austria, he and President Ion Iliescu should go to Petrosani—the miners were however mobilized on 24 September, incited, and directed toward Bucharest. You all know what happened along the way. A significant element is that an attempt was made in Petrosani to arm the miners.

Ilie Verdet, together with Ilie Neacsu, set up an emergency general staff consisting of: reserve General Nicolae Plesita; Ion Stanescu, former president of the Securitate Council in 1968; reserve General (?Pelea), former director of the passports department; General Oancea; reserve General Dumitru I. Dumitru; and Aviation reserve Colonel Radu Theodoru. The liaison man was Ilie Neacsu from EUROPA magazine, while Radu Grigore, former reserve Securitate colonel and currently deputy chief of EUROPA, was appointed the miners' coordinator in the field.

From [word indistinct] centers and shops, the organizers ensured supplies of empty bottles for Molotov cocktails and the appropriate vehicles. They activated the teams designed to liquidate several political figures against a background of violent street demonstrations. The lists with the addresses of the respective dignitaries were drawn up by Radu Grigore personally. The PSM activists pledged to bring the workers out in the streets, something which failed—the only ones who joined the miners were the Bucharest underworld and [word indistinct] amateurs of any kind of disorder.

The effective initiative was assumed by Traian Dudas and General Petrut, while Ilie Verdet remained on the sidelines and, for any eventuality, he launched the rumor that he was in Cluj in Iasi. By the way, I would like to say that it is now clear that Ilie Verdet, Dudas, and Vasile Vilcu—who were present during the events of both 21 and 22 December [1989]—were the team designed in connivance with a great Eastern power to replace Ceausescu. The appearance of Ion Iliescu, Petre Roman, and ourselves, the revolutionary group, on the television spoiled their plans. It was due to Dan Iosif and the revolutionaries at the Central Committee building who prevented them from acting and effectively taking power.

In the first stage, the miners' brigade chiefs were not supposed to enter into contact with the Bucharest civilians, unless they were given a certain codeword. The miners were immediately combined with many activities of the subversive group headed by Radu Grigore from EUROPA, who directed them constantly and supplied them with Molotov cocktails. They were surprised by the fierce resistance of the police forces defending the government, whose building, as could be seen on 25 September, resisted to the end. Put off by the failure, the miners' shadow leaders made an attempt on the Parliament building, when they were told that the prime minister and several government ministers were in the building on Metropolitan Hill.

Encouraged by the previous day's news about the so-called resignation of the government, you saw that they also wanted to remove President Iliescu. Through your dignified behavior, you managed to incur the miners' respect, thus saving the prestige of this basic state institution.

It could be seen clearly that the miners were literally maneuvered without scruples, and they were guilty of being credulous. The organizers would have wanted also the dismantling of the Parliament with all those actions that took place in front of that building. The leadership of the Interior Minitry was firm at high levels, and only at intermediate or lower levels could guilty complicity be found that resulted in actions that ran counter to the ordered actions. Thus, one should not lay the blame on the leadership of the Interior Ministry, which, upon the initiative of the prime minister, answered firmly to this malfunction. It was obvious that the determination and effectiveness won in the end, and this made impossible the fall of the television. [sentence as heard] Likewise, the Ministry of National Defense and General Nicolae Spiroiu deserve particular praise because they cooperated in this resistance. The difficulty was extreme because the action of pushing back the aggressors was achieved without firing at people.

In defending the headquarters of the presidential institution, that is, Cotroceni Palace, the action of the protection and guard service of the [word indistinct] was outstanding because they succeeded in pushing back several attacks. The plotters saw that, in spite of complicity and defections, the forces of order were resisting and that the great majority of Bucharest residents did not join in the act of overthrowing the regime by suppressing all democratic institutions, including the government, the presidency, and Parliament. They made efforts to retain the miners and Miron Cosma, managing even to bring back those who managed to leave.

Due to the hostility of some of his subordinates, because of the previous purges, the SRI director could not control

the situation. Some of the SRI officers allowed themselves to be dragged into actions by the plotters, and others started a series of disinformation actions.

On the evening of 26 September, after a meeting between Miron Cosma and Traian Dudas, the leader of the Miners Trade Union, who was exhausted because of lack of sleep, was offered lodging. He reappeared the next day, 27 September at 0400 at Baneasa Station and stopped miners from leaving.

Under all these circumstances, the SRI could not function in accordance with its mission of information, and its leader was not sufficiently informed and could not have a concrete picture at the situation. Frightened by the turn of events, the plotters tried to disguise the origin of the coup and wished to hide the role played by the PSM [Socialist Party of Labor]. They mixed groups led by a young person who had infiltrated into the Civic Alliance beforehand. They got reserve CADA [Commission for the Democratization of the Army] officers involved, too. They manipulated groups of demonstrators [word indistinct] led by Doru Maries. However, without their will, certain political opposition groups also cooperated in all this intoxicating action, groups that believed it was time to speculate with a view to obtaining certain volatile political advantages. Such groups were the Civic Alliance and the (?FMTSZ) [expansion unknown]. Radu Grigore even had the idea of sending a delegation of miners, headed by Miron Cosma, to the contress of the National Peasant Christian Democratic Congress, precisely in order to blame them. As a matter of fact, a series of former [word indistinct] experts circulated through press editorial offices and spread rumors that the Peasant Party members organized the miners' arrival. Reserve Colonel I. Grecescu, who was in permanent contact with Nicolae [name indistinct], promised to prepare disinformation material for the press, throwing all the blame on the Jews and Hungarians. It seems that EUROPA will publish something also in connection with the Franco Masonry. All this diversion was concocted in a period of [word indistinct], and when they saw that the workers did not come out in the streets and the Interior Ministry and the Army were ready to respond firmly, they attempted to stage strikes in Resita, Hunedoara, and Brasov. Through Veronica Patru from Vilcea, they attempted to bring the miners from Motru, but failed.

On Friday, 27 September the plotters resorted to an extreme measure. Upon Radu Grigore's orders, Angela Bacescu at the EUROPA magazine gave 100,000 lei to a former Securitate colonel to organize shock groups, penetrate Cotroceni Palace by force, and overthrow President Ion Iliescu. Because it was disclosed that this intention was already known and the CST [expansion unknown] took special measures—this means another leak of some information—General (?Gruita) believed that it was more advisable to give orders to the colonel that at 2000 hours he should withdraw the shock groups that were already deployed in the area of Cotroceni Palace. Finally, registering failure and satisfied with only the government crisis, the organizers of the coup resigned themselves to assist the departure of the last group of miners. It seems that a car was made available for Miron Cosma. He left disappointed, full of a sense of guilt, and aware of the way in which he was used.

In addition to what I said thus far, until the start of the proceedings of the parliamentary commission, I ask the Military Prosecutor's Office to immediately arrest Miron Cosma for actions against the state order and for attacks on public institutions resulting in important material damage; and to arrest Doina Cornea, for serious instigation to disorder at that most critical moment through which the country was going [applause] ...thus abusing her presence on the TV screen.

I also demand the arrest of Traian Dudas, General Petrut, General (?Pelea), Nicolae Plesita, Ion Cionescu, Oancea, Radu Theodoru, Radu Grigore, Ilie Neacsu, Ion Grecescu, and others that the investigations may reveal, for plotting against the state order. All these people, as well as those still unidentified, should also be submitted to the hearing of the parliamentary inquiry commission. At the same time, until the start of the investigation, I suggest that Parliament speedily pass the draft bill on banning the Socialist Party of Labor [PSM] and the Romania Mare Party. [applause]

After all this, allow me to dwell on some formal, procedural matters. I am going to ask you if, in the new circumstances, all the decisions taken after the communique of the Supreme Council for the Country's Defense are not null and void. We know that, under the pressure of threats on the presidential institution and the Senate, there was some talk about the government's resignation. Can one accept a resignation in a state of crisis? Even in dentistry, one cannot extract a tooth as long as there is an abscess. [commotion]

We all know that, under existing legislation, the government can be changed in two ways: through its own resignation and through our no-confidence vote. Can one produce the prime minister's written resignation? The participants in the latest meeting of the country's Supreme Defense Council are present here. They can attest that the prime minister only laid down his mandate in order to negotiate a government of broad national opening. The communique was quite clear: Prime Minister Roman, together with President Ion Iliescu, will initiate procedures to form a new government of national opening. Therefore, the prime minister, while laying down his mandate, was going to form, together with President Iliescu, a new government of national unity; nothing about a resignation was mentioned. This idea was only ventilated the following day, being raised by the presidency, under the pressure of the miners, in order to create the impression that they won something and make them leave Bucharest. [commotion]

[Martian] Please, allow Mr. Voican-Voiculescu to present his viewpoint to the end. Please, I ask you to

respect one another, including the speaker, even though we may have different viewpoints.

[Voican-Voiculescu resumes speech] After the miners entered here—thus profaning the institution of Parliament and submitting you all to serious threats and demanding that you vote for the resignation of President Ion Iliescu—after having attacked the television building that evening and making repeated promises to leave for home, the presidential institution, in order to pacify the situation, acquiesced to sign a joint communique that is so damaging to the prestige of the presidential institution. For the sake of ensuring the dignity of the state's institutions, I suggest that we ask the presidency to disavow this act.

Let us go back to the communique of the country's Supreme Defense Council and take it from there. Let us give a vote of confidence in the current government and empower Prime Minister Petre Roman to proceed, together with President Iliescu, toward forming a government of national unity. Thus, we will not give satisfaction to anarchist aggressors manipulated by the communist enemies of democracy. I believe that only thus will we be able to save the dignity of the institutions of the democratic states—the government, the presidency, and the Parliament.

A post-script: A FSN deputy, whose name I do not recall, said that I participated in the meetings of the Steering Collegium of the Interior Ministry. The interior minister is present here: I never participated in such meetings and, if I ever was at the Interior Ministry, I visited it as anyone may. [commotion, applause]

Verdet Responds to Speech

AU0110163791 Bucharest Programul Unu Radio Network in Romanian 1606 GMT 1 Oct 91

[Text] A news conference was held this afternoon at the headquarters of the Socialist Party of Labor [PSM]. PSM President Ilie Verdet read a statement and answered the numerous questions of reporters. Here is a summary of the PSM stand on the latest events in Bucharest and throughout the country:

Verdet said that the faulty implementation of the reform, without an understanding of Romanian realities and without the consultation of the country's political forces, the degradation of the national economy, and the aberrant escalation of prices have created a background against which a serious state of uncertainty and dissatisfaction developed among broad categories of people. This explains, Verdet emphasized, the recent unrest of miners and other working people.

The PSM president pointed out that his party, although it considers the miners' claims as justified, resolutely dissociates itself from the use of violence and anarchistic methods, that can jeopardize the legally established institutions, the state of law, and democracy in Romania.

Referring to the report presented by Senator Gelu Voican-Voiculescu in Parliament, Verdet protested against what he termed mere scenarios, mystifications, and calumnies, and said that such attitudes may pave the way for totalitarianism and dictatorship.

Verdet said that the PSM and its leaders had nothing to do and have never been involved in the organization and development of recent events in Bucharest and other towns.

In these circumstances, Verdet said, the PSM will demand compensation for the moral prejudice done to the party and the slandered sectors and persons, by suing the authors of the accusations.

In conclusion, Verdet expressed the PSM's readiness to participate in the organization of a broadly democratic front of progressive forces, with a view to halting the economic and social crisis and relaunching the national economy.

Magureanu Answers Deputies' Questions on Crisis

AU0110153691 Bucharest Programul Unu Radio Network in Romanian 1802 GMT 30 Sep 91

[Romanian Information Service Director Virgil Magureanu answers questions raised by deputies at the joint session of the two chambers of the Romanian Parliament on recent events held in Parliament Hall in Bucharest on 30 September—live]

[Summary from poor reception] "Ladies and gentlemen, parliamentarians: Considering the very surprising way in which the deputies' addresses developed and the spectacular and even sensational disclosures made here, I am obliged to be very brief and efficient and answer only those questions" that are included in points but "later we intend to table all the necessary data. Do not forget that I have just read a preliminary report and we will not be able to consider these events clarified until the last detail pertaining to this subject has been thoroughly investigated. This does not mean that we are going to postpone these conclusions indefinitely. I only want to repeat once again something that I owe you. If I happened to make a few points" about "the revolt that polarized around one person—one person, some persons—in the government, this is not something I did in order to give political advice to anybody, nor with the intention of presenting my own candidate or offering a governmental formula. We cannot permit ourselves to do anything like this. I only said that the existing dissatisfaction—which is widespread—refers to all areas and is concentrated around the formula that I was talking about. I wanted to say only this and nothing else.

"I just wanted to add something, and that is why I also appealed to the governmental majority, that once" we had received information "of a political nature, we were duty bound to draw your attention to those things. And the second thing, we have an extremely narrow amount

of room in which to maneuver, in which to solve particularly serious issues. Therefore, starting from such an assessment, on the basis of certain prognoses issued, we also draw attention to the possibility that we are facing a very hot season.

"What we communicated in connection with the Jiu Valley problem was based on documentation and was satisfactorily proved every time I had documents available. Only in the past few months, we held dozens of such briefings and we advanced the information to those who were in charge of the respective situations.

"Speaking about the way in which we fulfilled or did not fulfill our duty, I think that if a responsible parliamentary commission is set up, it will have to look through our briefings as well." What has been said about the promptness with which we reacted is correct. "I believe that it was necessary. In any event—and then I am going to go on to the second aspect—in any briefing, especially now that we are at crossroads, there must also be a political aspect that we touch upon. That is all I allowed myself to say. Under no circumstances should you believe that the Romanian Information service [SRI] is trying to implement its individual policy, especially in the [word indistinct] of the Parliament.

"And by the way—talking about the SRI—not once" have we noticed that the various directorates attacked us on the subject of "the legitimacy of our institution. I do not want to review our whole history. I only want to say" that "until the law on the SRI is endorsed by the Parliament, we will also have to clarify this issue of involving or not involving the SRI in those acts of diversion.

"I will make an aside here to refer to the detective story that was very nicely told by Senator Voican Voiculescu tonight. [applause]

"It is not without relevance to the core of the problem and with the attempts to denigrate our institution. Well, I will not even mention my case because, since I became the head of this institution, I have benefited from a large range of the most varied calumnies and most... I just wanted to tell you, within the same very brief aside, that it is less than a week since I received certain papers in which I was told that Mr. Voican Voiculescu belongs to a Freemason group somewhere in Egypt. I do not recall the details. These papers were given to me by somebody who had the intention of publishing them. Certainly" the fact that Voiculescu belongs "to that group whose exact name I do not recall," sounds to me like a fairy tale.

"But [word indistinct] the paper was signed by Petre Roman" and the date was written on it. "Certainly, I also" contacted those I had to and began an investigation, "and I found out that everything was a counterfeit, and I was assured with the greatest authority that the paper in question was written by Senator Voiculescu himself. Well, why does he need such a paper? What is the use of it? Because he also wanted to manipulate things here and there" and wanted his name "to appear in this or that publication, and in this way he could maintain himself in the public's attention. Let him tell you about it, Mr. Voican Voiculescu will be able to tell if he had or had not written such a paper. I will have it made available to him," and "if there are other parliamentarians who wish to see" this paper, "they can see such a concoction."

"I have learned from intelligence work the agonizing effort not to direct certain information toward a certain channel and to do it only after you have checked and rechecked the information. And I want to tell you, at the very beginning, that what was so beautifully and so convincingly read to us by Mr. Voican Voiculescu tonight, I know where it comes from and who put the senator up to it. I am grateful that at least I was not arrested as well. [applause]

"That was a little bit too long a list with names of people who must be arrested. But how?" The way somebody put it—"without verification? And if it is not true? Will we not be" ashamed by it? "Now, can we ask with complete honesty for the banning of one party or another?"

"The fact that we have proof about certain aspects" is good "but they should not based on falsifications or on detective stories." "You see, we heard the story about Colonel Kazacov and about others and the story about others working for EUROPA magazine and about others working with other papers as well. Certainly, we cannot permit ourselves to ignore this information or any other type of information, whatever its source. Thus, I can only say that we have proceeded to certain observations, including the one about the private detective agency, the so-called National Investigation Agency—a little bit of a pompous name for the number of its members and their degree of involvement in situations—that confirm that there is indeed something in Vilcea, but not throughout the whole country. Maybe there is something in Vilcea, a small group, but there is a great distance between this and the whole of the national territory. All these should be verified. We are at a crossroads now. That is all I wanted to say.

"There is no room for fictional scenarios. We have to get documentation on everything and prove everything.

"I can say this with complete certainty because the investigation has been completed. Not one of the instigators of the past dramatic days belongs to the political parties represented in the Parliament. This is already a positive point. This shows that the game of those who carry out extremist actions has been going on for a long time outside our political sphere." "If you want, I can read to you the list [word indistinct]; however, as soon as we have finished the investigation, we will give it to the Prosecutor's Office." "We have all these events recorded, so we will continue our investigation until we get our list completed, so as to be sure that we have indeed clarified things. For the time being I can only say the following. In intelligence work, precisely the information that is so beautifully connected and blends in

every way so that not one single point remains outstanding, precisely that is the most dubious information. Because often, between rumors and the real and thorough information, there are unfortunately too few obvious differences. That is why one must investigate and not present suddenly, after only three days, a scenario that blends perfectly, simply in order to eclipse everything, including the work of those who perhaps made a contribution to clarifying the recent events.

"We still have real means to be in control of the information on these events, but we must start receiving a minimum of confidence in the bodies that are legally justified to carry out investigation work. If we do not have this confidence, we cannot take one single further step. Thank you.

Defense Minister Spiroiu Addresses Parliament

AU0110153291 Bucharest Programul Unu Radio Network in Romanian 1056 GMT 30 Sep 91

["Report presented by General Constantin Nicolae Spiroiu, minister of national defense," at the joint Parliament session in Bucharest—live]

[Text] Messrs. Presidents, ladies and gentlemen, Parliamentarians: During the events of 24-28 September, the Army participated with troops and equipment in defending the primary public targets of national importance and in reestablishing law and order on the basis of a special cooperation program between the Ministry of Interior and the Ministry of National Defense, issued in conformity with legal provisions on the functioning of the Ministry of National Defense and approved by the Supreme Defense Council in April this year.

This plan was fully applied, together with its numerous subsequent additions. This plan tangibly incorporates all important sites throughout our country, including those in Bucharest Municipality, as well as specifications about the troops and equipment with which the Army intervenes to support the forces of order and guards of the Ministry of Interior upon the special demand by the latter whenever its own capability of fulfilling this mission is likely to be exceeded.

Such a situation arose during the night of 24-25 September when violent actions in Petrosani Municipality began and the arrival in Bucharest of 3,000-4,000 miners was imminent; their intentions were clearly aggressive and, according to local sources, were directed especially against the government, whose resignation they demanded.

In view of this situation, the minister of interior asked for the application of the intervention plan for the important targets in Bucharest Municipality in keeping with the number of troops envisaged. For this purpose, beginning on 25 September at 0245, we decided at the General Staff level to set up and put into operation an intervention group to lead these operations, and cooperation links were achieved with the Ministry of Interior where an officer from the Ministry of National Defense was temporarily attached.

These links operated under positive conditions throughout the period of the events. At night, we were constantly in touch with the Ministry, more precisely put, with the minister of transportation, to obtain details in connection with train departures and the strikers' conduct, in order to work out, as correctly as possible, the necessary measures to avoid their arrival in Bucharest and to gradually diffuse the conflict as we went along.

We also kept in touch with the government and the presidency, and the order for the preparations of the intervention subunits was issued, which were to join the forces set up by the Ministry of Interior. Along with the chief of staff of the Ministry of Interior, it was agreed that these subunits should start fulfilling their mission just with their personal weapons, without ammunition, that they should operate as much as possible in the second ranks, that is inside buildings or fenced-in precincts, because they do not have any protective equipment and equipment for combating street actions such as shields, [word indistinct] rubber or electric-shock clubs, tear gas, water jets, guns with rubber bullets, that is, equipment that we do not have.

It was their mission to discourage acts of violence on the basis of numbers and to block, through physical force, those who had succeeded in entering their target. The operations were worked out in such a way that this mission could be fulfilled, but without using weapons and specific military combat equipment.

These measures were approved at the meeting of the Supreme Council for the Defense of the Country that was held on 25 September at 0600. Given the fact that, during this meeting, General Ilie Marin, the commander of the Craiova Garrison, reported that the first mixed trainload of miners and passengers on fast train No. 244 had arrived at the railroad station and that their behavior was relatively calm, but that the departure of the train was hampered because the arrival of the other two trains that followed it was expected, we put forward a last proposal to defuse the political aspect of the situation. We also suggested to the miners that a government delegation go to Craiova to prevent their coming to Bucharest.

The Council agreed, and I ordered General Ilie Marin to go to the railroad station to discuss this question with the vice president of the Miners' Trade Union, who was on the first train.

In the meantime, the next two trains arrived at the station. Trade union leader Miron Cosma was in the first one and, together with him, we agreed that the vice president, Mr. Caldararu, accompanied by five miners, should go to the Army [word indistinct] to talk with the prime minister over the telephone.

This conversation did take place, and the prime minister agreed to go to [word indistinct]. When returning to the railroad station to inform the trade union leader about the result of this conversation, he no longer agreed to negotiations and continued with bringing miners to Bucharest. This was the first change, changes with which the miners confronted us constantly during the unfolding of the events. While General Ilie Marin informed the government by telephone from the office of the railroad station's chief about the results of the talks, a group of 30 miners entered the room, assaulted those present, wrecked the office, and fractured the hand of a military police (?guard) who was ensuring civilian protection. This is the only man from the Ministry of National Defense who was seriously injured.

I want to clarify why this change took place or, more precisely, why such a change—which we got used to later—happened, because of the fact that a few minutes before the group of generals and the county prefect parted from the miners on the best of terms possible under such circumstances. Under these conditions, the Supreme Council for the Defense of the Country, (?suspecting) that such violent actions would probably also take place in Bucharest, decided to increase the Defense Ministry's intervention units to support the Ministry of Interior, something that was carried out immediately. [passage indistinct] At the same time, measures were taken to create reserves on the basis of redeployments, an operation that was appropriately worked out for Bucharest.

Since what happened at Victory Palace on the afternoon of 25 September confirmed unusually violent behavior by the strikers, who were also joined by a great number of Bucharest residents, and given the fact that new trainloads of miners were on their way to Bucharest, the Supreme Council for the Country's Defense held a new meeting in the evening of that day to examine the events. It was decided that efforts should be made to stop the trains on their route, to increase reserve intervention units, to distribute ammunition in a centralized way to subunits and not to individuals, and to protect by means of armored cars only the Victory Palace because it has no fence around it, and people had made attempts to force their entry with a truck, and because there [word indistinct] information that the following day there would be additional and more powerful attacks by certain combined forces of miners and other social-civilian groups, which at that time were committing acts of violence in the center of Bucharest.

All these measures had been implemented by the Ministry of National Defense by 0430 on the morning of 26 September. Within the given international political-military context, and in view of a possible deterioration of the domestic situation, beginning on 26 September the Ministry of National Defense decided to (?increase) military combat capability throughout Romania, and carried out important activities to ensure national security as follows:

—Land, river, maritime, and air surveillance was intensified, as was that of road and railroad transportation throughout Romania. This is how those incidents, so to say, occurred during flights that would not have normally been approved because of the severe weather conditions, thus giving birth to all sorts of discussions.

—Surveillance of [word indistinct], as well as of valuable historical landmarks along main routes was intensified.

—Action was taken to eliminate and combat attempts at disinformation and to annihilate possible diversions that could affect the proper operation of the military mechanism.

—The Army's own transmission system was made operational. This was done because, as early as December 1989, we were intoxicated with all sorts of information and some units were even falsely alerted. Therefore, we took this measure to doubly confirm the orders that were transmitted.

Other special measures were also taken, but I believe that it is not in the interest of our state security to publicize them.

To ensure that the Army's position on the events under way and on the continuation of the democratization process in Romania was correctly known—upon the approval of the prime minister—I contacted, when free time permitted this, six military attaches and occasionally two ambassadors accredited in Bucharest, with whom I held talks. I also informed the Ministry of Foreign Affairs about the results of those talks.

To provide better and more complete information for you about the serious involvement of the Army and the Ministry of Interior's forces of order, which bore the brunt during the events, especially the troops of gendarmes, I want to emphasize that the subunits of the Ministry of National Defense—apart from defending their own targets—were in action at the headquarters of Romania's Presidency, the Parliament, the government, and television building with troops totaling 1,775 military man and reservists totaling 895 in Bucharest on 25 September.

For this target we had envisaged 350 men; 100 of them entered the area on 25 September—as a preventive measure according to plan—under the command of an officer [words indistinct], as well as 200 excellently trained paratroopers, who were deployed along the Alexandriei thoroughfare and later redeployed along Candianu-Popescu Street; but, unfortunately, they were called too late.

On 26-27 September, we had approximately 2,400 military men and more than 1,200 reservists available. I believe that given the complex conditions in which action was taken—I will expand on this later—they would probably not have had a great influence either. No combat equipment was used. The 24 armored cars

played the role I have already referred to both at Victory Palace and the television building, where four armored cars were used during the evening events of 26 September. No war weapons [word indistinct] were used, except in the extreme situation that arose at the television station on the evening of 26 September, when the demonstrators tried to force their way through the entrance by means of an excavator. Shots were fired only at the radiator and tank of this excavator in order to immobilize it, and this was a successful move.

We also succeeded in promptly annihilating attempts at psychological influence and disorganizing the leadership by means of false orders, with which we were confronted beginning on 26 September. There was close and well-coordinated cooperation between the managements of the two ministries and between the military men subordinate to them, and there was good coordination of actions carried out by the operation groups that had been set up. There was only one case—unfortunately precisely in this place—of disorder, which can be explained by the complex general situation, by the great number of attackers, and the severe nature of the pressure exerted.

In no way can the accusation of treason be launched without a detailed investigation, which has to be carried out by a competent commission. There was exceptional coordination within the Army—from the soldier up to the general—and I personally enjoyed the moral support of all the Army commanders, the various branches of the defense forces, and the support of direct or indirect personnel subordinate to them, all of whom carried out orders with precision and professionalism. Above all, those directly involved in protection and defense actions—personnel and military men from both ministries—proved their tenacity. They had the strength to bear the humiliation of being spat upon, sworn at, and hit without backing away and, especially, without ever being tempted to use weapons that they could have used. This is their essential merit, and all of us have to be grateful to them.

Many of them ran great risks, especially the troops of gendarmes, the paratroopers at the television station, and others. I do not believe they would accept it if we said that they have done heroic deeds, because it is sad to have to be a hero when confronting your own fellow citizens.

The effect of these actions are known: The state's basic institutions resisted. We have to admit that if one leaves Jiu Valley on a Tuesday with a list of economic demands that have been accepted, with the desire that only the prime minister should resign, and arrives Thursday in Bucharest shouting—down with the Parliament, down with the president, down with the government, that is, down with everything—then these institutions were actually threatened.

Ladies and gentlemen, Parliamentarians, the scope of the events that took place recently, their organized nature, the correlation between these events and the systematic attempts at disinformation, instigation, and intimidation, made by various social groups and individuals, raise questions that can no longer be eschewed if we want the best for Romania.

Who is preparing such actions in the Romanian state? Why are there such anticommunist struggles when this can be achieved successfully by democratic means? In fact, such actions (?ruin) the situation of the national economy, risk (?harming) the people, affect Romania's international relations, block democratic progress and the establishment of the state of law, and weaken Romania's defense capability.

Romania's Army, which is not involved in the power struggle and is politically neutral, is concerned about this situation. [applause] To create the necessary conditions so that the Army may intervene effectively under similar conditions—aside from measures to strengthen and activate all legal forces to ensure order at home—it is urgently necessary to formulate the constitution and to immediately include the law on national defense, on military service, the law on (?remuneration), and especially the law on the status of military (?forces) in the agenda of the Parliament, which will ensure their legal protection when they fulfill their combat mission—during political fluctuations—something that is characteristic of the state of law we are striving for.

We, the military, do not hesitate to fulfill our mission in the state. We are aware of our responsibility and expect the same responsible attitude on the part of all citizens toward our Romanian country. Thank you. [applause]

Mining Trade Union Calls For Strike Suspension

AU0110114491 Bucharest Programul Unu Radio Network in Romanian 1115 GMT 1 Oct 91

[Text] Today, 1 October 1991, the Executive Bureau of the Romanian Mining Trade Union Federation has met in an extraordinary meeting and decided the following:

Taking into consideration the current situation in which a new government is being set up, the Executive Bureau of the Romanian Mining Trade Union Federation calls on trade unions temporarily to suspend the general strike of miners in the mining basins that belong to our federation.

We continue to maintain our viewpoint on the need to seek solutions to the two points that result from the meeting of the Coordination Council of the Romanian Mining Trade Union Federation, a meeting that took place in Bucharest on 24-25 September. Those points were included in the petition handed over to the country's president and to the presidents of the two chambers of Parliament.

A parliamentary commission, together with local leaders and members of the Executive Bureau, will examine the

current situation in the country's mining basins—reads the communique issued by the Romanian Mining Trade Union Federation.

Ratiu Opposes Opposition Boycott of Parliament

AU0110161191 Bucharest ROMPRES in English 1231 GMT 1 Oct 91

[Text] Bucharest ROMPRES, 1/10/1991—In a statement to ROMPRES in connection with the results of the recent congress of the Christian Democratic National Peasant Party [PNT-cd], Ion Ratiu, elected member of the Steering Board of the party, showed:

"With the explanation of the party's past, the endorsement of its statute and program and the completion of the elections for the PNT-cd leadership, our position in the country will be greatly strengthened, as our legitimacy and our unity is being proved." He added that that unity might generate "a government alternative that should bring solutions for the current crisis, but we will work also in a coalition if it is made in a statutory, democratic manner."

Referring to the withdrawal of the party's parliamentary group from the Parliament, a controversial theme of discussions during the congress, Mr. Ratiu assessed that "it would be a big mistake." "We do not have a democracy in Romania," he opined, "but the fact that I can speak in the Parliament free and nobody stops me is already a big gain, a big progress toward democracy." "If we withdraw from the Parliament, we destroy this institution without filling the void with anything else," concluded Ion Ratiu, stating that he would however obey by a joint decision to that effect, if it were made by the whole parliamentary opposition.

Extraparliamentary Opposition Wants New Elections

AU0110135491 Bucharest ROMPRES in English 1222 GMT 1 Oct 91

[Text] Bucharest, ROMPRES, 1/10/1991—A joint statement sent to ROMPRES by six extraparliamentary opposition parties—the Romanian Revolution Party, the Radical Democratic Party, the Christian and Democratic Romanian Revolution Party, the Democratic Unity Party, the National Democratic Party for Justice and the Radical Civic Union Party—and making a critical analysis of the events over September 25-29 shows that "the current power has constantly refused dialogue with the country's population." The signatories of the statement reject "the actions of violent repression" of demonstrators and insist that the persons guilty of having committed such deeds should be identified and punished. They also announce the initiation of a public inquiry to establish the number of victims among demonstrators. "Our political groups demand the creation of a government consisting of independent personalities boasting high professional competence and moral standing to organize early free elections and administer the national economy in the transition period," the statement shows pointing out that a government should be formed by Mr. Constantin Cojocaru.

Parliament's Constituent Assembly Resumes Session

AU0110162591 Bucharest ROMPRES in English 1413 GMT 1 Oct 91

[Text] Bucharest, ROMPRES, 1/10/1991—After the developments of past days, when the miners who descended on Bucharest stormed a number of state institutions, the headquarters of the Parliament included, the Constituent Assembly resumed session Tuesday, 1 October, with debates and the adoption of the future constitution.

During last week's tragic events, almost all political circles in Romania and abroad spoke of the necessity to adopt Romania's constitution as soon as possible, the basis of the state of law.

In context, the parliamentarians resumed debates from Article 22, the first of Chapter 2, on the Romanian citizens' fundamental rights and freedoms.

Chapter 2, the largest of all, has 27 articles.

The parliamentarians welcomed the delegation of the People's National Congress of China, led by Peg Chong, vice-chairman and secretary-general of the Congress' Standing Committee, present in the sitting hall. The applause in honor of the guests equally greeted the Chinese people on the occasion of its national day.

Civic Alliance Demands Inquiry Into Unrest

AU0110201291 Bucharest ROMPRES in English 1835 GMT 1 Oct 91

[Text] Bucharest ROMPRES, 1/10/1991—The acts of violence these days have betrayed national interests, shows a statement made by the Civic Alliance Party (PAC). That is why the PAC supports the activity of the investigating parliamentary commission and expresses its hope it will be successful. The results of investigations must lead to denouncing the guilty and their accomplices in financing and organizing the miners' trip to Bucharest, to discovering why the order-keeping forces did not defend the democratic institutions and eventually bring the guilty to court, whether they belonged to the top power or not. So, all those who did not fulfil their mission, that is to defend the state institutions, should be punished.

Hiding the truth leads to mounting social tension and chaos in Romanian society with incalculable consequences for the Romanian people's destiny, shows the statement of the Civic Alliance Party.

The Civic Alliance and the Civic Alliance Party specified while referring to Romanian President Ion Iliescu's criticism of Civic Alliance's use of "anti-democratic

methods of toppling by force and interrupting a mandate of democratically elected bodies" that they had nonviolence as their supreme principle.

Iliescu Holds Consultations With Party Leaders

AU0110204591 Bucharest ROMPRES in English 1925 GMT 1 Oct 91

[Text] Bucharest ROMPRES, 1/10/1991—Romanian President Ion Iliescu's round of consultations Tuesday evening is attended by Petre Roman (National Salvation Front), Radu Ceontea (Party of National Unity of Romanians), Radu Campeanu (National Liberal Party), Corneliu Coposu (National Peasant Christian Democratic Party) Tudor George Maiorescu (Romanian Ecological Movement), Victor Surdu (Democratic Agrarian Party of Romania), Otto Weber (Romanian Ecological Party), Sergiu Cunescu (Social Democratic Party of Romania), Stefan Cazimir (Socialist Party of Labor), Oliviu Tocaciu (National Reconstruction Party of Romania), Ion Todiras, (PTLDR) [expansion unknown], Dinu Patriciu (Liberal Party-Young Wing), Petrisor Morar (RDG of Timisoara) [expansion unknown], I.I. Bratianu (Bratianu Liberal Union), Serghei Mesaros (National Democratic Party), Geza Domokos (Hungarian Democratic Union of Romania), Ion Manzatu [Republican Party], Gheorghe Pirvulescu, (ENP) [expansion unknown].

Following this evening's consultations the president is expected to announce the name of the personality in charge of the formation of the new government.

Ceontea Assesses Talks

AU0210083691 Bucharest ROMPRES in English 2204 GMT 1 Oct 91

[Text] Bucharest, ROMPRES, 1/10/1991—I am leaving these consultations with the feelings I should have liked to have in the last decade of May 1990, stated Romanian National Unity Party [PUNR] President Radu Ceontea. It was an important political moment that was missed. The electorate's affective attitude toward the National Salvation Front rather than a rational attitude was shown then. A certain pride of power made governing through a single party procrastinate. I am leaving with the feeling that from now on, in a future government of national unity there will be more responsibility and vigilance for the country's destiny. Even if we cannot make miracles, we hope we can stabilize an acceptable normality.

Iliescu Appoints Stolojan To Form New Cabinet

AU0110194691 Bucharest ROMPRES in English 1937 GMT 1 Oct 91

[Text] Bucharest ROMPRES, 1/10/1991—Romania's President Ion Iliescu announced Tuesday, 1 October, after consultations with the leaders of the parliamentary groups that Theodor Stolojan, ex-finance minister in Petre Roman's government, was charged with the formation of the new government of Romania.

Former Premier Petre Roman invested after the 20 May 1990 elections, deposed his mandate last week, in consequence of developments in capital city, when miners of Jiu Valley coal fields descended on Bucharest and besieged important state institutions, such as the government, the presidency, the headquarters of the Assembly of Deputies.

ROMPRES Profiles Stolojan

AU0110195691 Bucharest ROMPRES in English 1939 GMT 1 Oct 91

[Text] Bucharest ROMPRES, 1/10/1991—Mr. Theodor Stolojan is 48 years old. He graduated from the Faculty of Finance, Credit and Accountancy of the Academy of Economic Studies of Bucharest in 1966. He worked at the Ministries of Finance, Food Industry and other central institutions. He published studies and works on public finance, macroeconomy, and so forth. He was a minister of finance under the government formed after the May 20, 1990 elections. On May 14, this year, he was appointed president of the National Privatization Agency.

AFP Profiles Stolojan

AU0210072891 Paris AFP in English 2201 GMT 1 Oct 91

[Text] Bucharest, Oct 1 (AFP) - Teodor Stolojan, who on Tuesday was appointed Romanian prime minister, is an outspoken liberal economist who had held responsibility for a privatisation programme from last May.

Born on October 24, 1943, Stolojan qualified in economics at Bucharest University and worked from 1966 to 1972 in the ministry of food production. In 1972, he went on to the Finance Ministry.

He was named finance minister by his predecessor Petre Roman following the elections of May 1990, five months after the coup that toppled Nicolae and Elena Ceaucescu, who were executed in Stolojan's own home town of Tirgoviste.

But Stolojan resigned from Roman's government a year later, together with then trade and industry minister Anton Vatasescu, in protest at what they saw as inadequate measures taken on April 1 to free up retail prices.

Arguing that the government was being too timid, they objected to salary supplements then being provided and called for the total scrapping of food subsidies.

Stolojan, an austere and rigorous man, is currently a member of no political party, a fact that must have helped make him acceptable to all parties in Parliament after Roman resigned last week following violent anti-government protests led by miners from the impoverished Jiu valley region.

During a recent press conference in his role as chairman of the National Agency for Privatisation, Stolojan said there was "no economic justification" for the free distribution to adult Romanians of 30 percent of capital from privatised companies.

That decision became law in August.

Stolojan is now set to form an interim government to pave the way for fresh general elections due to be held in 1992, following the adoption of a democratic constitution scheduled for the end of this year.

He is married, with two teen-aged children.

Iliescu Issues Statement

AU0110211991 Bucharest Programul Unu Radio Network in Romanian 2000 GMT 1 Oct 91

[Statement by President Ion Iliescu to the press at Cotroceni Palace in Bucharest on 1 October—recorded]

[Text] In practical terms, we held the second round of consultations today, following the talks that were conducted with each party separately—I mean, with the representatives of the parties with deputies and senators in Parliament—which covered the whole range of problems. [Words indistinct], an idea became apparent; namely, the principle of restructuring the government, its tasks, and program. Therefore, on the basis of all of these ideas, which were put forward by the representatives of the parties, we had a new meeting. Actually, it was an exchange of opinions that also covered their (?possible) contribution to the restructuring of the new government, which, of course will be a task for the future prime minister.

In accordance with the provisions of the electoral law, it is up to the majority group to appoint a candidate for the position of prime minister. Given the current prime minister's initiative to lay down his mandate to facilitate a political solution that would involve a greater number of parties in assuming government responsibility, it was only natural for me to turn first to the majority group, so that it could define its own viewpoint and put forward a list of possible candidates.

Thus, the idea of tonight's discussion also took into consideration this slight departure, if you like, from the letter of the law; namely, that the person appointed by the majority formation need not be a party representative or a member of the respective party leadership. In view of the previous suggestions that the new prime minister should not belong to a given party, but should primarily be acceptable to the majority party and also enjoy the broader endorsement of all other parties, the majority formation proved itself amenable, and its leading body, the Steering Collegium, examined several such candidates.

As far as I am concerned, I settled on one of them; then I tried, although it was not obligatory [words indistinct]. Well, I wanted to have this consultation and informative discussion [Iliescu laughs, followed by commotion] given the political significance of the moment. I am glad that I was not wrong in my choice [words indistinct], from the multitude of proposals forwarded to me, because the choice I made received the approval and endorsement of all parties present here. I am talking about Theodor Stolojan, [Iliescu laughs, followed by commotion] who accepted the mandate to proceed further. I believe that tonight's discussions, as well as my previous consultations, will help the prime minister's efforts.

Concrete consultations will continue this week on the proper composition of the government—structures, ministries, and so forth—and on the way in which various parties will be represented in the government. After reaching a broad understanding on such a government formula, which should encompass the possible appointments, it will then have to work out a governing program, that actually should be a continuation, because, (?as everybody knows), the new government, with a broader representation, should ensure the continuity of the process of democratization, that is, of political, economic, and social reform, while enjoying greater power and domestic and international credibility.

In light of this, I consider tonight's consultation as a welcome and a good premise for the forthcoming efforts and tasks devolving on the prime minister-designate.

Stolojan Interviewed

AU0110215091 Bucharest Programul Unu Radio Network in Romanian 2000 GMT 1 Oct 91

["Exclusive" interview with Prime Minister-Designate Theodor Stolojan by unidentified reporter in Bucharest on 2 October—recorded]

[Text] [Reporter] Mr. Stolojan, first of all, congratulations. We would like to be the first to inform you that President Mr. Ion Iliescu appointed you prime minister tonight. Therefore, we would like to be the first to hear your statement.

[Stolojan] It is a new task for me. I had a talk with the president of the Republic. We will now examine ways and means to form a government and define the goals of this government for the forthcoming period—something that is not exactly easy in view of the current priorities and many problems that have emerged in the meantime.

[Reporter] Am I right in saying that, as of tomorrow, you will begin the task of forming a new cabinet?

[Stolojan] Yes. There have to be further consultations, and I will have to familiarize myself with the discussions held thus far between the president and the political parties. I mention that because I did not even consider this possibility, and I did not participate in these talks—therefore [words indistinct] these discussions, which laid, so they say, the premises of good cooperation with the political parties in forming this government. (?One

should) try to reach a formula that will receive the endorsement of as many political parties as possible.

[Reporter] In conclusion, a few thoughts of the chief executive for the near future.

[Stolojan] In the near future, I intend to administer these economic (?imbalances). I believe that I have to concentrate on this problem and not on others, as some people or supporters may think. Of course, like any citizen, I watched and followed the various positions outlined on television. Some of them come as a surprise; others are doubtful. I believe, however, the main problem for the forthcoming period is how to administer the (?imbalances) at a time when resources are almost nonexistent.

[Reporter] Mr. Prime Minister, I thank you for this first interview with Radio Bucharest.

PSDR: Stolojan 'Good Choice'

AU0210084391 Bucharest ROMPRES in English 2204 GMT 1 Oct 91

[Text] Bucharest, ROMPRES, 1/10/1991—It is well we could agree on the person to hold the office of prime minister [Theodor Stolojan], stated the president of the Social Democratic Party of Romania [PSDR], Sergiu Cunescu. There were several proposals. In my opinion, a good choice was eventually made in this situation. However, one must be aware that the hard problems which must be solved have just come up.

Iliescu Rejects Roman Assessment of 'Putsch'

AU0110220291 Bucharest ROMPRES in English 2122 GMT 1 Oct 91

[Text] Bucharest ROMPRES, 1/10/1991—Answering Tuesday afternoon the questions put by journalists from USSR, France and Yugoslavia at Cotroceni Palace regarding the stage in consultations on the formation of the new government, Romania's President Ion Iliescu said: There has been a first round of talks with representatives of all parties that have seats in Parliament, even with members of other groupings, and certainly, with the majority party that, according to the law in force, is the one entailed and responsible to forward the first solutions, the first proposals for a premier.

In reference to Mr. Petre Roman's assertion that last week's events in Romania were "a neo-communist putsch," Romania's president said: Mr. Roman expressed his opinion on this matter starting from the effects of such a movement that was generated by fundamental discontent of an economic nature and could stop the reform and democracy process we began. From this point of view one may say that the political effects of the movement and the forces interested in such a process can justify this characterization.

However, to speak about a putsch of such a character you should also have specific elements apt to aver the movement proper. I think we do not have enough elements to characterize it as such.

What I could say, whatsoever, is that from an objective point of view this movement started from objective causes—the economic difficulties the country has to cope with—which foster discontent. They have taken on the character of a spontaneous wide-scope movement staged by a category of people of great impulsiveness. That there were, undoubtedly, many political forces round the miners' movement that seek to win political capital on its account, one way or another, was true and is true now, too. And extreme right-wing forces as well as extreme left-wing forces, other multiple political forces have been stirred up. As you could see the decision makers endeavoured to settle the conflict in a democratic way. Last year's weaknesses of the order-keeping forces showed again a to smaller extent this year. Therefore, this time one could see a certain growing capacity of reaction and defence of the democratic institutions but weaknesses could be seen in Parliament, for instance, which brought about very severe, tough reaction of parliamentarians that initiated a genuine investigation of the order-keeping bodies.

The Parliament has proved it is a democratic institution teaching Romanian public opinion a true lesson and demonstrating that the changes wrought in Romania are truly irreversible and, despite all the hardships facing the country, the citizens and the economy, the course taken by Romanian society is a definite one toward democracy, toward a market economy and the continuation of the economic reform begun in spite of the difficulties we shall have to cope with from now on as well, the president said.

Roman To Remain as Leader of FSN

AU0210083991 Bucharest ROMPRES in English 2206 GMT 1 Oct 91

[Text] Bucharest, ROMPRES, 1/10/1991—The new premier [Theodor Stolojan] was proposed by the majority party—the National Salvation Front [FSN], stated Mr. Petre Roman. He showed he pleaded for a national unity government because Romania was not in the situation of isolating itself owing to political disputes, on the contrary it was in the situation of doing everything it can to overcome national disunion which can also be seen outside the country.

Asked what will happen to him in future, Mr. Roman said: What you can see. I represent the National Salvation Front as its leader, therefore I am heading this grouping from a

political point of view and we try to remain in government through elections when they take place.

Government-Trade Union Subcommission Meets 1 Oct

AU0210084891 Bucharest ROMPRES in English 0826 GMT 2 Oct 91

[Text] Bucharest, ROMPRES, 2/10/1991—The Government-Trade Unions Joint Subcommission, set up under the Ministry of Commerce and Tourism, met on October 1. The meeting was attended by representatives of the ministry, of the Federation of Commerce Free Unions and of the Tourism Union Federation.

The joint subcommission asks that the Romanian Government urgently endorse a decision to the effect that all economic agents, irrespective of the form of property, carrying on activity in commerce and tourism, should apply in a unitary manner the specific norms and regulations of the transition to the market economy in their specific domains, issued by the Ministry of Commerce and Tourism—the Department of Regulations for Commerce and Tourism. The subcommission agreed that real social protection of the employees of the commercial companies in commerce and tourism be ensured in the process of actual privatization, especially as regards the sales of assets.

Federal

SFRY Presidency Warns of 'Imminent War Danger'

LD0110203691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1858 GMT 1 Oct 91

[Text] Belgrade, 1 Oct (TANJUG)—A session of the SFRY Presidency, chaired by Vice President Branko Kostic and attended by the federal secretary for internal affairs and the deputy federal secretaries for national defense and foreign affairs, was held in Belgrade today.

The SFRY Presidency, as stated, in establishing the agenda noted that conditions had not been met to allow a thorough discussion of the political and security situation in the country, especially in Bosnia-Hercegovina, because representatives of that republic were absent while waiting to hear whether the SFRY Presidency had accepted their proposal to have this issue discussed in Sarajevo. Bogic Bogicevic, member of the SFRY Presidency from Bosnia-Hercegovina, proposed that a Presidency session be held in Sarajevo with regard to the situation in that republic, which was rejected today. It was concluded that the political and security situation in that republic should be discussed as soon as possible in agreement with the leadership of Bosnia-Hercegovina.

The SFRY Presidency was briefed by relevant federal departments about the utterly serious and dramatic political and security situation and the danger of an all-out civil war.

Despite SFRY Presidency decisions, the activities of the Cease- fire Commission, the 1 September agreement with the EC, the 17 September Igalo Agreement, as well as other agreements and orders by authorized bodies, a cease-fire on the territory of the Republic of Croatia has not been secured.

Armed conflicts have caused a large number of casualties and enormous property damage. Unless reason prevails, the indications are that this will continue and escalate. A danger of armed conflicts spreading into Bosnia-Hercegovina and Montenegro, and of new flashpoints of war being opened in the country is in evidence. It was considered that this is threatening to bring about even more serious interethnic and interrepublican conflicts, and that Yugoslavia is facing imminent war.

After signing the statement on a cease-fire on 17 September in Igalo, as the Presidency was informed, armed formations of the Republic of Croatia continued their attacks on units of the Yugoslav People's Army [YPA], particularly in barracks and military installations. Up to 30 September, the armed formations of the Croatian Ministry of Internal Affairs and National Guard Corps had carried out 263 attacks on units and installations of the YPA.

In these conditions the Supreme Command Staff last night considered possible measures and sent a warning to the president of the Republic of Croatia, the Government of the Republic of Croatia, and the Croatian Army chief of general staff, which has been made public.

The SFRY Presidency has supported the efforts being made by the EC and the international community, their member states and competent institutions, in order to secure an effective and immediate cease-fire in Yugoslavia. To this end, the SFRY Presidency welcomed the substance and specific conclusions of UN Security Council Resolution 713 of 25 September, and for its part is also unequivocally insisting that all parties observe the cease-fire agreements. This would effectively enable the existing conflicts to be resolved in a peaceful manner and through negotiations, and would avoid great suffering and destruction.

The SFRY Presidency will, for its part, contribute to these efforts and any constructive involvement of the EC and the international community, aware of its own obligations and responsibility, and the duties and responsibilities of other relevant factors in the country.

The SFRY Presidency has agreed to sign an agreement on the extension of the EC observer mission to the Socialist Republic of Bosnia-Hercegovina.

The SFRY Presidency will, depending on the development of the overall political-security situation, adopt the appropriate decisions and accordingly assume the constitutional and legal functions within its competence.

The SFRY Presidency has also determined that the work of almost all federal organs has been blocked. The work of the SFRY Assembly has been made impossible, and the Federal Executive Council has long been experiencing a crisis of cadres and function. The SFRY Presidency has decided to initiate the convening of an expanded session with the most responsible federal and republican leaders to examine the conditions for securing a truce, for the functioning of the federal organs, the earlier initiatives on the future of Yugoslavia, and results so far of the work of the international conference on Yugoslavia. The SFRY Presidency has concluded that it will actively monitor the results of the work of the international conference on Yugoslavia, and encourage the constructive involvement of the members of that conference.

As regards the announcement and steps of the office of the Croatian president regarding heads of SFRY diplomatic missions from this republic, the SFRY Presidency was informed about measures taken by the Federal Secretariat for Foreign Affairs (SSIP) and about their reaction.

The SFRY Presidency confirmed its principled confidence in each individual head of an SFRY diplomatic mission who carries out his duties and behaves in line with the interests of the country as a whole, and with the federal law and instructions from the SSIP. This approach is not in contradiction to the understandable

feeling of an individual's commitment to his own national environment, providing it is not abused.

The SFRY Presidency asks the SSIP to continue efforts designed to preserve the entity and capability of the Yugoslav diplomatic and consular offices, and in these difficult circumstances to act efficiently in safeguarding our sovereign rights and in all other areas of general, economic, and other interests to the country, and in protecting Yugoslav citizens and property abroad.

At the SSIP's proposal, the SFRY Presidency has issued a decree recalling Dr. Bozidar Gagro, current ambassador of the SFRY in France, the statement issued after the SFRY Presidency session said in conclusion.

Vice President Kostic Claims Peace Depends on Tudjman

LD0210080691 Belgrade TANJUG in English 0232 GMT 2 Oct 91

[Text] Belgrade, October 2 (TANJUG)—Vice-President of the Yugoslav Presidency Branko Kostic told Belgrade television this evening that the reaching of peace in Yugoslavia depends on President of the Yugoslav Republic of Croatia Franjo Tudjman.

'In case Tudjman ensured that the armed formations stop attacking JPA [Yugoslav People's Army] units and lift their blockade of the barracks, and if the armed formations stop their attacks on the Serbian population, I am sure that peace would set in,' said Kostic.

He called for today another session of the presidency, in whose work the representatives of the headquarters of the Supreme Command will also take part.

Yesterday's session, chaired by Kostic, was not attended by President Mesic (Croatia) and Janez Drnovsek (Slovenia).

Asked whether the situation in the Yugoslav Army would be discussed at greater length today, 'in view of the talk on treason' in its ranks, Kostic replied that this would doubtless figure on the agenda.

Commenting on the President Mesic's absence from yesterday's session and his overall conduct, Vice-President Kostic recalled that the 'Presidency has repeatedly distanced itself from his (Mesic's) one-sided actions.'

Kostic also said that the adoption of some concrete measures 'would depend on the overall security situation.'

Assembly's Federal Chamber To Hold Session 10 Oct

LD0110184491 Belgrade TANJUG in English 1645 GMT 1 Oct 91

[Text] Belgrade, Oct 1 (TANJUG)—The Federal Chamber of the Yugoslav parliament will convene on October 10 for its first session in the past two months, as decided at a meeting between Chamber President Bogdana Glumac-Levakov and the heads of the Chamber's working bodies today.

The session of the Federal Chamber, one of the parliament's two houses, will be devoted to the decisions of The Hague conference on Yugoslavia and the stands of international organizations on the Yugoslav crisis, as set out today.

The Federal Chamber will discuss also the state of human rights in Yugoslavia and common elements of the economic policy, which will be proposed by the parliament's Constitutional Commission as part of a platform for a solution to the Yugoslav crisis.

All competent federal institutions—the Federal Presidency, the Federal Government, the Federal Foreign and Interior Secretariats—will be asked to present their stands.

The deputies from all federal units will be invited to attend the session, as it was set out today. The session is, therefore, viewed as a decisive effort to overcome the blockade caused by the unilateral decisions of the Slovenian and Croatian parliaments to withdraw their representatives from the federal legislature.

The withdrawal of the Slovenian and Croatian representatives followed the two republics' unilateral decisions on June 25 to secede from Yugoslavia.

Representatives of the federal units other than Slovenia and Croatia today confirmed they would attend the session.

Absences Cause Presidency Session Delay

LD0210104491 Belgrade TANJUG Domestic Service in Serbo-Croatian 0941 GMT 2 Oct 91

[Text] Belgrade, 2 Oct (TANJUG)— According to the information office of the Presidency of Yugoslavia, an SFRY Presidency session which was to start at 1000 this morning has been delayed because some members of the Presidency have not been able to attend.

The Presidency was due to discuss some topical issues concerning all-people's defense with representatives of the Supreme Command Staff of the SFRY Armed Forces.

The SFRY Presidency information office will announce the new starting time in due course.

Mesic Protests Kostic's 'Illegal' Presidency Session

LD0210135391 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 2 Oct 91

[Text] Yugoslav Presidency President Stipe Mesic today sent a letter to the Yugoslav Presidency secretary general in connection with an invitation to the 144th Presidency

session which was held yesterday. In the letter he stresses that Yugoslav Presidency Vice President Branko Kostic convened the session in an illegal way. The letter says:

The vice president of the Presidency and some members of the Serbian bloc have been taking part in the military coup and have been deliberately trying through an illegal manipulation to obtain Presidency decisions in order to legalize the illegal and unconstitutional actions of the army. The stands of the Serbian bloc in the Presidency are not surprising. What is surprising, however, is the behavior of Bogic Bogicevic and Vasil Tupurkovski in the military coup.

I have to stress again that the very same Yugoslav Army, which has demanded that its financing be placed on the agenda, is still blocking road traffic with tanks and blocking the airspace, thus making it impossible for the legal and legitimate president of the Yugoslav Presidency to attend sessions. Everyone will shoulder part of responsibility for his illegal work, Stipe Mesic's letter to Yugoslav Presidency secretary general concludes.

Supreme Command Headquarters Replies to Tudjman Letter

LD0210004191 Belgrade TANJUG Domestic Service in Serbo-Croatian 2150 GMT 1 Oct 91

[Text] Belgrade, 1 Oct (TANJUG)—The information service of the Federal Secretariat for National Defense is authorized to state that at 2100 the Supreme Command Headquarters of the SFRY Armed Forces sent a reply to the president of the Republic of Croatia, the government of the Republic of Croatia, and the Command of the Croatian Army in response to the letter that the Supreme Command Headquarters of the SFRY Armed Forces received today from Croatian President Franjo Tudjman.

The reply of the Supreme Command Headquarters reads:

To the President of the Republic of Croatia, the government of Croatia, and the command of the Croatian army:

With regard to the letter from the president of the Republic of Croatia on 1 October 1991, we note that today's events fully confirm the assessments made in the warning of the Supreme Command Headquarters of the SFRY Armed Forces.

Your armed formations are carrying out additional mobilization, regrouping, and redeployment. The blockade of the units and garrisons of the Yugoslav People's Army [YPA], accompanied by behavior that has all the hallmarks of genocide, is not only not being lessened, but is even being strengthened.

In the course of the day, without any cause, YPA units were attacked in Vukovar, in the regions of Vinkovci, Prevlaka, Glina, Zadar, and other places. There were also several brutal attacks on villages with Serbian populations.

We would like to at last see the implementation of the cease-fire agreements in the spirit of the statement from Igalo, the statement on the talks of 24 September, and the proposals of Ambassador Henry Wijnaendts. However, you have abused with very transparent intentions all agreements reached so far and have used agreed cease- fires to strengthen your military formations, to intensify the unscrupulous pressure on YPA members and their families, and to forcefully seize individual military installations. This has definitely reached the limit. Words will no longer be believed.

The Supreme Command Headquarters stands by its assessments of the behavior of the leadership of the Republic of Croatia and your armed formations. The measures we have indicated in the warning will be consistently implemented, the statement of the Supreme Command Headquarters of the SFRY Armed Forces says in conclusion.

Markovic Letter to Milosevic Criticized

LD0210041791 Belgrade TANJUG in English 1216 GMT 1 Oct 91

[Text] Belgrade, October 1 (TANJUG)—An open letter addressed by Federal Prime Minister Ante Markovic to President of the Republic of Serbia Slobodan Milosevic was today described by Belgrade papers as "manipulation" (POLITIKA), "trick" (POLITIKA EKSPRES) and "fishing in troubled waters" (VECERNJE NOVOSTI).

Markovic asked Milosevic on Monday to recall his alleged decision on mobilization in Serbia, warning him that he would be considered "one of those directly responsible for the aggression and civil war by the peoples of Yugoslavia and the world."

The three papers say that the decision on partial mobilization was not adopted by Serbia or its president, but that it is being implemented by the Yugoslav Army under Yugoslav laws.

The federal prime minister "is trying to create and spread an impression about Serbia's alleged aggression on the Yugoslav Republic of Croatia," writes POLITIKA. It says that the letter "was motivated by Markovic's fanatical wish to place Serbia, at least at the eleventh hour, into the dock before the uninformed or inadequately informed world public."

Markovic is a "man who did everything, secretly and behind the scenes, and often also in the public, for Yugoslavia to be no more, while putting the blame for it on Serbia," remarks POLITIKA EKSPRES.

"Markovic's latest appeals are indicative of his attempt to disclaim responsibility for what he was bound to do, rather than being a proof of his genuine concern for the future of Yugoslavia," writes VECERNJE NOVOSTI.

The papers criticize Markovic for failing to prevent the arming of illegal paramilitary formations in Croatia and the illegal imports of arms from Hungary for these formations.

Defense Secretariat Denies High Command Dismissals Rumor

LD0110170391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1424 GMT 1 Oct 91

[Text] Belgrade, 1 Oct (TANJUG)—Some domestic and foreign information media have published reports about alleged large-scale cadre changes in the High Command Headquarters. The Information Service of the Federal Secretariat for National Defense states that these claims are untrue and utterly unfounded.

They are lies and crude misinformation, the statement says. These rumors are published with the aim of ruining the Yugoslav People's Army's integrity and creating mistrust among the public toward the Army.

Croatian Supreme Council Refutes Armed Forces' Warning

LD0110151191 Zagreb Radio Croatia Network in Serbo-Croatian 1330 GMT 1 Oct 91

[Text] The Republic of Croatia's president has convened the 32d session of the Supreme State Council, which examined a warning by the SFRY Armed Forces Supreme Command to the Croatian leadership and other issues. As a statement stresses, the Council refuted the ultimatum-like tone of the warning and allegations on cease-fire violations by the Croatian side and genocide against members of the Yugoslav Army.

Fresh attacks on Croatian towns and villages by the Yugoslav Army—even in areas where conflict did not take place—show the real violators of the cease-fire and what kind of policy they are pursuing. The Council concluded that the domestic and world public and international forums should be acquainted with the text of the ultimatum-like warning that vital and civilian facilities in the Republic of Croatia will be destroyed.

The Republic of Croatia in its further negotiations with the Supreme Command will demand the complete withdrawal of the Yugoslav Army from Croatia. The government was charged to coordinate activities in this connection with local authorities.

The Council also examined measures the Republic of Croatia will take after the moratorium has expired regarding implementation of constitutional resolutions on dissociation, and preparations for the forthcoming session of the Assembly, the statement from today's Croatian Supreme State Council session says in conclusion.

Army Command Statement Concerning Dubrovnik

LD0210124191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1107 GMT 2 Oct 91

[Text] Nevesinje,2 Oct (TANJUG)—In connection with the combat actions by Yugoslav People's Army [YPA] units in the Dubrovnik area the command of the operational group of YPA units in Nevesinje has issued the following statement:

"Over a long period of time innocent Croatian and Serbian people and YPA members as well have been subjected to assorted forms of activity by Croatian paramilitary formations whose brutal actions have surpassed all known forms of human crime. Having made the assessment, on the basis of reliable facts, that the lives of a great number of people, both Serbs, Croats, and others are under an imminent threat, the units of the Armed Forces of Yugoslavia were forced to undertake certain activities in the Dubrovnik and surrounding areas.

"The objective of these activities is to put a stop to the fascist dictatorship and terror by Croatian paramilitary formations and to create the conditions for a free and safe life. Military activity is directed solely at selected targets strictly observing the need to spare the lives of the innocent population and to preserve the cultural and historic sights in the city of Dubrovnik as a jewel of the world cultural heritage.

"We wish the inhabitants of Dubrovnik and others understood that the YPA is trying to restore peace in this area, making it possible for them to develop their indigenous cultural values and their working and creative abilities which can be attained only in freedom. In this sense they must refrain from supporting members of the Croatian National Guard and other paramilitary formations and help our efforts to avoid casualties and material damage and the establishment of peace as soon as possible".

Mesic Predicts 'Unimaginably Fierce' Conflict for Serbia

AU0110105391 Warsaw RZECZPOSPOLITA in Polish 25 Sep 91 pp 1, 5

[Interview with President Stipe Mesic by Ryszard Bilski; place and date not given: "A Powder Keg Has Been Ignited"]

[Text] Stipe Mesic assumed the office of chairman of the SFRY presidium (the so-called collective presidency) after a two-month delay. His election was blocked by a Serbian coalition. He is president of a Yugoslavia that has been plunged into civil war. He is the last president.... He has announced that he will step down at the beginning of next month when the three-month moratorium expires and Slovenia and Croatia begin to implement their independence declarations of 25 June.

[Bilski] The world, and particularly Europe, is concerned about the escalation of the Serb-Croat conflict despite the signing of yet another cease-fire agreement. Mr. President, in your opinion, what compromises are essential and possible on both sides of the barricades for it to be possible to talk about political and economic coexistence?

[Mesic] Croatia has not placed any obstacles in the way of talking about the future or seeking various solutions, but Serbia, both official and opposition Serbia, does not recognize compromises. Belgrade has never regarded the SFRY as a multinational community, but as an extended, enlarged Serbia. The Army has become a tool for pursuing a greater Serbia policy. We are witnessing a war about privileges—I am primarily thinking of the Army—a war to realize Milosevic's ambitions.

[Bilski] It is generally felt that the Hague conference has deepened divisions instead of reducing them. What does Croatia expect from the Hague peace conference?

[Mesic] A further internationalization of our problems and the setting in motion of mechanisms that will bring peace to our land. We wanted the Hague conference, whereas as Serbia agreed to it because it could no longer reject such a conference. It has tried to use the Hague conference as a kind of shield, while continuing with what it has been doing and waging aggression against Croatia.

[Bilski] When Croatia and Slovenia issued their independence declarations on 25 June, did you foresee that events would take the course that they have in fact taken?

[Mesic] Yes, I did so earlier, when Croatia held its referendum and Slovenia held its plebiscite, and even before that, during the parliamentary elections. I can well remember how at that time, Serbia, its army, confiscated 250,00 weapons of various kinds in Croatia. The danger of war, of a Serbian attack, had already become real when it transpired that democracy had triumphed in Slovenia and Croatia.

[Bilski] The degree of antagonism felt by the two sides involved in the fighting is, as someone said, unimaginable. Is the coexistence of Croats and Serbs in one state conceivable after this?

[Mesic] Let me just explain to you.... The imperialist ambitions of Serbian leaders, especially Milosevic, are really the one and only obstacle. He is fighting for a greater Serbia, within borders that it has never had in its history.

[Bilski] Macedonia has recently come out in favor of independence. The Albanians, as we know, have had enough of Serbia's policies. So, how do you see events unfolding in Yugoslavia in the near future?

[Mesic] I think that the scenario will be as follows: The Army will collapse, and Serbia will suffer a terrible defeat. It will suffer defeat in Croatia first and then in Bosnia and Hercegovina. We will see large numbers of Serbs fleeing from these two republics, Serbs who took up arms in anticipation of great privileges for "creating" a greater Serbia. They will leave feeling betrayed. I also think that the Muslims in Sandzak, who do not want to live in a greater Serbia, will also stage a revolt. The Albanians, who do not want any kind of Serbia, will also rise up. What is going on in Kosovo today can be called a crime against humanity. The Albanians are treated worse than the inhabitants of South Africa.

A great conflict really threatens Serbia, a conflict that will be unimaginably fierce, and, unfortunately, a lot of blood will be spilled...

[Bilski] In a few hours time you will be going abroad on a trip of enormous importance. What should it bring Yugoslavia?

[Mesic] A few hours ago I decided that I would not go to New York, and I have sent a somewhat longer telegram to the UN secretary general in which I justify my request for United Nations involvement in resolving the Yugoslav crisis. It is already a powder keg that has been ignited and could explode at any moment. The United Nations cannot allow the Serbian aggressors to be rewarded, it cannot allow the war to end in a way that will be to their advantage. That would set a dangerous precedent. That is why I say Milosevic is so dangerous, that he is even more dangerous than Saddam Husayn.

[Bilski] What do you think of the proposal made by Lech Walesa, the president of the Republic of Poland, on the formation of forces that could prevent the escalation of conflicts of a "Yugoslav kind" in the future?

[Mesic] It is a laudable proposal. The democratic world cannot just look on as a conflict escalates.

[Bilski] I will try to get an interview with Serbian President S. Milosevic. What do you think I should definitely ask him about.

[Mesic] Regardless of what you ask him about, he will not tell you the truth.

Backa Palanka Bridge Linking Serbia, Croatia Closed

LD0110201191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1801 GMT 1 Oct 91

[Text] Backa Palanka, 1 Oct (TANJUG)—After two months of normal traffic, a bridge over the Danube between Backa Palanka [in Serbia] and Ilok [in Croatia] is closed for traffic tonight. All traffic is banned between 1900 and 0500.

Tensions have erupted following yesterday's demand made by the government "of the Serbian Autonomous Region of Slavonia, Baranja, and West Srem" that paramilitary formations in Ilok lay down their arms. According to available information, several thousand members of the Croatian Ministry for Internal Affairs

and the National Guard Corps are in Ilok following a withdrawal from areas which they failed to capture.

According to a Yugoslav People's Army officer whose unit is securing the bridge, people on both sides of the bridge are anxious because indications are that members of the Croatian units do not intend to lay down arms without a fight.

International

EC To Widen Observers' Mandate to Bosnia-Hercegovina

AU0110142091 Paris AFP in English 1358 GMT 1 Oct 91

[Text] The Hague, Oct 1 (AFP)—The European Community observers' mandate in Yugoslavia is to be widened to include Bosnia-Hercegovina, which borders both Croatia and Serbia, a Netherlands Foreign Ministry spokesman said Tuesday.

The Dutch ambassador in Belgrade, Henry Wijnaendts, would sign a memorandum of understanding with the Yugoslav Federal Government to enlarge the observers' mandate, presently limited to Slovenia and Croatia, he said.

It was also planned to increase the number of Community observers in Yugoslavia from 90 to 200 by the end of next week, the spokesman said.

Defense Secretariat Statement on Red Cross Incident

LD0110165791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1522 GMT 1 Oct 91

[Text] Belgrade,1 Oct (TANJUG)—In connection with the incident near Lipik in the vicinity of Pakrac, during which an International Red Cross Organization vehicle was hit, the Federal Secretariat for National Defense [SSNO] Information Service today issued a statement which runs as follows :

"A thorough investigation has established that the Yugoslav People's Army [YPA] units had been informed about the Red Cross mission in the village of Lipik area on 27 September this year to accept the wounded and patients in the psychiatric hospital near Lipik. In order to ensure complete safety it had been agreed with the representatives of the organs of the Croatian Ministry of Internal Affairs and the National Guard Corps—through the Red Cross Mission—that the vehicles to be used for the transportation of the aforementioned persons be clearly marked with Red Cross insignia and that they will be taken over by YPA representatives at a specified location.

At the agreed time the YPA representatives were in the vicinity of the specified locality. At the time of the agreed arrival of the Red Cross mission three mortar shells landed on that spot, and immediately afterward five Cazmatrans buses arrived without any Red Cross markings. Armed members of the Croatian armed forces disembarked from the two buses; fire was opened on them and they ran away. The remaining three buses turned around and drove back. No attempt was made to stop them. There was no Red Cross vehicle in the vicinity, nor were there any vehicles with Red Cross markings. YPA units did not observe any vehicles with these markings in other areas either. It follows that YPA units or members could not have fired at any.

Respecting the humane aims of the Red Cross Organization, we give full YPA assurances that, as it has done in the past, it will continue to ensure safety for every Red Cross mission and guarantee their security in all the localities under the control of the YPA units", concludes the statement issued by the SSNO Information Service.

Petric To Head Slovene Mission in U.S.

LD0210010691 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 1 Oct 91

[Text] Dr. Ernest Petric left yesterday for Washington, where he will take over duties as head of the office of the Republic of Slovenia in the United States. Before leaving, Dr. Petric held separate talks with Milan Kucan, president of the Presidency of the Republic of Slovenia, Dr. Janez Drnovsek, Assembly President Dr. France Bucar, Prime Minister Lojze Peterle, several ministers, and representatives of Slovene business and political parties.

Slovenia

Slovene Assembly Session on Independence

LD0210161691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1224 GMT 2 Oct 91

[Text] Ljubljana, 2 Oct (TANJUG)—The implementation of the act concerning independence of the Republic of Slovenia after the moratorium expires is the only item on the agenda of today's joint session of all three chambers of the Slovene Assembly. For the session, during which introductory reports were read by Premier Lojze Peterle, Foreign Minister Dr. Dimitrij Rupel, Vice Premier Dr. Andrej Ocvirk, and internal affairs and defense ministers Igor Bavcar and Janez Jansa, respectively. The Executive Council prepared a set of documents entitled "The Implementation of the Autonomy and Independence of the Republic of Slovenia," together with an analysis of the implementation of the Brioni Declaration and proposals on Slovenia's activity after the moratorium expires and and aide-memoire.

The delegates were also given draft Assembly positions and conclusions after the expiration of the moratorium, which were explained by Matjaz Sinkovec, chairman of the Assembly Commission for International Relations. This commission has also proposed that the chambers adopt a statement on unhindered sea and land traffic in Slovenia and outside Slovenia.

The draft positions and conclusions note that after 7 October—that is to say, after the moratorium expires—there is no reason, as far as Slovenia is concerned, for the moratorium to be extended. Accordingly, the implementation of the basic constitutional charter concerning Slovenia's autonomy and independence, the constitutional law, and the declaration proclaiming the independent nature of 14 laws will be resumed on 8 October. Since the mandate of the EC observer mission in Slovenia expires on 13 October, the conclusions make a positive assessment of their work and of cease-fire supervision. The Slovene Assembly sticks to the three-month deadline for the Yugoslav People's Army [YPA] withdrawal from Slovenia, which has been laid down by a SFRY Presidency decision. This means that YPA members should leave Slovenia by 18 October this year at the latest.

The conclusions propose that Slovenia continue to participate constructively in The Hague peace conference with a status of an independent sovereign state. The Slovene Assembly withdraws the authority from all organs and services of the former SFRY to represent the interests of the Republic of Slovenia before other states and international organizations.

The draft conclusions say the republican government should immediately stop the outflow of assets in the form of customs duties and other duties from Slovenia into the budget of the former SFRY. In conjunction with the Bank of Slovenia, measures must be taken immediately to establish Slovenia's monetary sovereignty and action started to introduce an independent currency. Establishment of an independent foreign trade regime, or system, the resumption of air traffic in the Republic of Slovenia airspace, and the opening of airports in this republic is also proposed. In view of the change in circumstances, there is no necessity or need for representatives of Slovenia to cooperate further with the work of the SFRY federal organs and for citizens of Slovenia [to cooperate] with the SFRY diplomatic and consular missions.

"There are no doubts regarding our further road to an independent Slovene state," stressed Premier Lojze Peterle, the first speaker from the ranks of the executive authority. According to him, the government has prepared everything that is required after 7 October for Slovenia to live in keeping with independence legislation and conclusions adopted on 25 June this year. Peterle stressed his conviction that in the last three months the world had been acquainted in detail about who's who in Yugoslavia and what methods they are using, and briefed on the specific characteristics of the Slovenian issue. "We must prove to the world that we are capable of living independently," stressed Peterle.

"The Brioni Declaration has secured Slovenia the necessary peace, and by fulfilling the key points of that declaration Slovenia has demonstrated itself to be a trustworthy partner who complies with international commitments," said the Slovene Foreign Minister Dr. Dimitrij Rupel.

According to Rupel, during the moratorium period Slovenia's international activity was directed toward a peaceful solution of the Yugoslav crisis, solution of the problems in connection with economic cooperation with foreign countries, and international recognition of Slovenia. Rupel referred in particular to the situation in Croatia, saying that "day after day the war in Croatia increasingly draws attention to the inefficiency of the present international mechanisms relative to the saving of human lives".

"We cannot reconcile ourselves to the fact that Europe has no means of bringing unruly generals to reason, so I will allow myself tc say that both the United States and Europe who until recently insisted on a single Yugoslavia are responsible for the current violence." Although, he said "it is not diplomatic to criticize the policy of other countries," Rupel believes "we have matured to the degree when we can assess critically statements by foreign and defense ministers suggesting that Yugoslavia does not deserve as much attention as an oil-rich country." Rupel also said that he "understands a lack of European readiness to involve itself militarily in the Yugoslav settling of old scores, but it is shocking that the destruction of Croatia by a single 'Yugoslav' Army is observed calmly."

As far as Slovenia's diplomatic activities are concerned, Rupel said in conclusion that Slovenia has a pragmatic interest in active participation and the success of The Hague conference, because UN membership, agreed dissociation, and the share balance sheet [distribution of Yugoslav foreign debt among the constituent republics] will probably be implemented more easily with international arbitration than by direct negotiations with the Federal Executive Council and the republics.

Speaking of the implementation of the Brioni Declaration in the economic area, Vice Premier Andrej Ocvirk noted that for three months Slovenia had not been able to reach agreement with federal organs on a single key issue involving credit and monetary policy, foreign trade and foreign currency system, customs system, and other economic policy elements. The reasons for this are the federal government's starting points, which are centralized and discriminate against Slovenia. Ocvirk also drew attention to the fact that as far as the credit and monetary policy is concerned, the Brioni Declaration restored Slovenia into the sphere of the NBJ [Yugoslav National Bank] policy, but the NBJ Board of Governors refused to accept it. This forced Slovenia to formulate its own policy in the aforementioned area.

Speaking of monetary policy measures, Ocvirk mentioned that Slovenia will introduce its own currency in October. One consequence will be that the existing payment channels with the neigboring republics will be interrupted. The government has prepared a payment

agreement to established commodity channels between the republics. So far this agreement has been coordinated only with Croatia. For other areas and in order to balance the trade, legal subjects will have to secure barter trade pure and simple without resorting to any money payments or will have to open non-residential accounts in local currencies. The Bank of Slovenia will secure the conversion of dinars into Slovene currency and vice versa. The Bank of Slovenia will continue to work intensively to acquire foreign currency reserves so as to stabilize the rate of exchange. A public debt law will be tabled on the basis of foreign currency savings of the citizens. Ocvirk also set out a number of positions concerning the establishment of the customs regime on the Croatian border. Enterprises and other legal entities from other republics will be treated as foreign.

Slovene Internal Affairs Minister Igor Bavcar referred in particular to the five independence laws in the internal affairs area, stipulations of which were carried out during the moratorium period if they did not clash with the Brioni Declaration. According to Bavcar, on the basis of the citizenship law, details regarding 1.86 million Slovene inhabitants have been entered into the central computer system, with 200,000 still remaining. Bavcar said the government will propose an amendment to Article 40 of the Citizenship Law, which will apply to citizenship applicants who took part in the aggression against Slovenia.

After 7 October everyone who is not a citizen of Slovenia will be treated as an alien—with the exception that until 25 December, those Yugoslav citizens who have already submitted an application for Slovene citizenship or who, in accordance with Article 40 of the Law on Slovene Citizenship, can make such an application.

One hundred and fifty thousand forms have already been prepared for new travel documents, and it is planned to issue 100,000 new documents every month. New Slovene passports will start being issued the moment it is possible to deal with foreign countries. Several neighboring countries, said Bavcar, had already expressed their readiness to accept our citizens crossing the border with a new Slovene passport.

Speaking about the law on state border control Bavcar said that a special bilateral interstate commission will have to draft an agreement defining the land and sea border between Slovenia and Croatia. Until an agreement has been reached with Croatia and until appropriate control has been established over all communications, international traffic will proceed at these border crossings, and border crossings will in fact work nonstop. During the first stage, until other Yugoslav Republics have proclaimed their statehood, no passports will be required at these border crossings, and identity cards will suffice.

Slovene Defense Minister Janez Jansa asked the republican Assembly to approve the stance that "the last Yugoslav Army member should leave this republic's territory by 18 October this year at the latest. He also said that no armed forces of other countries—regardless of their objective and role—are required on Slovene territory .

On the expiry of the moratorium, Slovene territorial defense will be capable of securing total protection of Slovenia's territorial integrity including successful defence against possible air attacks, said Jansa, and mentioned that preparations are under way to call up the first regular generation to do their military service.

Jansa also said that he supported "the efforts to involve international peace forces along the line of all present internal borders in Yugoslavia along which conflicts of great dimensions are raging today." In view of the situation in Slovenia's immediate neighborhood, all the steps along the independence road must be protected by real power even after 8 October, because in that way alone will they be sustained and adequate, stressed the Slovene defense minister during the joint session of all three chambers of the Slovene Assembly.

Slovene Presidency Appeals for Cessation of Hostilities

LD0110184191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1659 GMT 1 Oct 91

[Text] Ljubljana, 1 Oct (TANJUG)—The Presidency of the Republic of Slovenia today issued an appeal to the Supreme Command of the SFRY Armed Forces, the Serbian people and their government, as well as to the Croatian political and military forces, to end all hostilities immediately.

The appeal was endorsed at today's session of the Slovene Presidency and begins with the assertion that "today's warning of the Supreme Command Headquarters of the SFRY Armed Forces could finally and with unforseeable consequences bury all hopes for a peaceful solution to the tragic state of affairs in Croatia and, consequently, on the entire territory of the former Yugoslavia".

The Slovene Presidency believes that the warning of the Supreme Command callously and arrogantly portends revengeful actions as a new element in the war, which has already brought about only death and destruction. This way of thinking is now becoming a direct threat to the unarmed civilian population. Such a destructive attack will be the most brutal violation of international military law and basic human rights.

The heralded revenge, which includes plans for mass killings and endless destruction, is the culmination of madness, regardless of the motives behind such a decision.

Therefore, the Slovene Presidency calls on the Supreme Command Headquarters, the Serbian people, its government and Croatian political military forces to "immediately end all hostilities, to eliminate their causes and to observe the cease-fire agreement signed at Igalo".

The Slovene Presidency believes that if hostilities continue, as hinted by the Supreme Command Headquarters of the SFRY Armed Forces, barbarity of the worst kind will descend upon us. This escalation of hostilities makes pointless all peace efforts at conferences in The Hague, and by the United Nations, by the European and the other countries who demonstrated a readiness to assist us in the search for a peaceful solution, the appeal of the Slovene Presidency concludes.

Defense Minister Jansa Discusses Defense After 8 Oct

AU0110191291 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 1 Oct 91

[Report on interview with Janez Jansa, Slovene defense minister, by Radio Ljubljana reporter Robet Skerjanc on 1 October in Ljubljana—recorded)

[Text] (Begin Jansa recording) The language of this ultimatum resembles the language we were used to from the ultimatums issued by the military leadership to Slovenia in the last war. There are threats, and on the other side, excuses, for the actions that the Army has already been carrying out in Croatia. I mean, it has been destroying the civilian installations and the installations of special importance all this time; therefore, on this point this threat is no major news. What is new is a direct appeal to the civilian population to flee, to evacuate towns, and so forth. The aim of all this is that the territory for which this war has been waged is emptied as soon as possible and the Croatian residents flee. In this way the Croatian defense forces would be weakened because it is extremely difficult to defend empty territory.

With threats and ultimatums the Yugoslav Army is trying to evacuate relatively easily certain garrisons from the areas where the Army is threatened, where the Croatian forces have an upper hand, or where these garrisons are surrounded by Croatians. The military leadership demands that those units be released with all their equipment, movable property, and their entire staff. Of course, these units would then move into the crisis areas and intensify the attacks on Croatian defense forces and on Croatian towns, therefore, Croatia probably will not consent to such an ultimatum because it could only make the situation worse. [end recording]

[Announcer] When asked about Slovenia's preparations for the possible further escalation of the fighting, as well as for the period after the moratorium which will shortly expire, Jansa said:

[Begin Jansa recording] Well, as regards the defense, I can say that the days after the moratorium will not represent a significant change. You know, we adopted all necessary constitutional and other acts last fall and this spring; therefore, the Brioni Declaration suspended none of these decisions. The preparations were also underway during the last three months. Here I refer to the preparations for regular military training, which will start at the beginning on 1992 at the latest. At the same time, we also undertook many activities which strengthened the defense capability of the Territorial Defense. They have particularly improved our capabilities in anti-aircraft defense. [end recording]

Croatia

Tudjman Replies to Supreme Command Ultimatum

LD0110195291 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 1 Oct 91

[Statement issued by Croatian President Dr. Franjo Tudjman and Croatian Government on 1 October in response to "ultimatum" from Yugoslav Armed Forces Supreme Command issued on 1 October—read by announcer]

[Text] As we have already reported, the Supreme Command of the [Yugoslav] armed forces has sent an ultimatum to Croatia. Croatia has already become accustomed to this and similar warnings, but the Croatian Government and Dr. Franjo Tudjman, president of the republic, today nevertheless responded to it. In his reply to the armed forces Supreme Command, Dr. Tudjman stated the following:

On the basis of a debate at and the conclusions of the meeting of the Republic of Croatia Supreme State Council, convened in response to your ultimative warning sent at 0200 this morning to the government and the president of the Republic of Croatia, and the Croatian armed forces chief of the General Staff, I have been empowered to state the following:

It is not true that either the leadership or the armed forces of the Republic of Croatia have completely ignored all cease-fire agreements reached so far. On the contrary. The land, air, and naval forces of the Yugoslav Army continue with fresh mobilizations and offensives in eastern and western Slavonija, northern Dalmatia, and Banija, and have renewed their blockade of some ports. Similar actions are even being carried out in the region of Dubrovnik where there are no inter-ethnic tensions or military justification for such actions.

We also reject your claim that genocide is being committed against members of the Yugoslav Army and their families. Serbian policy—which the Army leadership has sided with—uses this as an excuse for developing its expansionist policy of exterminating the Croatian popoulation, banishing it from its homes, and destroying Croatia's industrial and cultural wealth.

This is borne out by your threat of retaliation against vital and civilian targets in the Republic of Croatia, despite it being without precedent, and contrary to international laws regulating the conduct of war and the Geneva conventions. We propose an absolute cease-fire in line with the Igalo Agreement of 17 September, the statement from a meeting between General Veljko Kadijevic, Serbian President Slobodan Milosevic, and Croatian President Croatia Franjo Tudjman of 24 September, and the drafts of cease-fire documents agreed upon through the mediation of EC Ambassador Henry Wijnaendts of 28 September.

Under our proposal this is to be followed by negotiations between representatives of the Republic of Croatia and the Supreme Command of the Yugoslavia armed forces on the ways of regulating bilateral relations concerning the return [of the Army] to barracks, and its total withdrawal from the territory of the Republic of Croatia.

The implementation of these agreements would be supervised by a joint commission with the help of the EC observers. We agree that specific issues of impelementing these agreements at a lower level should be resolved through agreements between local authorities of the Republic of Croatia and military authorities in those localities.

Vienna TV Interviews Separovic on 7 Oct Independence

AU0210104091 Vienna ORF Television Network in German 2105 GMT 1 Oct 91

[Interview with Foreign Minister Zvonimir Separovic by Robert Hochner in the ORF studio in Vienna—live]

[Text] [Hochner] Minister, considering what happened today in your country, the first question is obvious: What can be done, what has to be done to stop as quickly as possible the war that has newly erupted?

[Separovic] First of all, the world must understand what the conflict is about. Most people do not yet know that the supreme command gave an ultimatum to the president of the Republic of Croatia, the Government of the Republic of Croatia, and the command of the Croatian Army. The ultimatum reads as follows: For each facility of the Yugoslav People's Army that is attacked and captured, one facility that is of vital importance to the Republic of Croatia will be immediately destroyed. For each attacked and captured garrison, an object of major, vital importance will be destroyed in the town where that garrison is located.

The ultimatum further states that this is also a warning to the civilian population to leave the areas in question in good time. As a military response to the capturing of several barracks and other military objects after the recent cease-fire agreements, we—the military stated—will carry out attacks and other military actions in parts of the Republic of Croatia.

This is an ultimatum. This is war. What will we do? Will we defend ourselves?

[Hochner] If you defend yourselves, you have to count on losing the war, considering the way in which the Federal Army has been preparing itself this time. Would you accept such a defeat or do you consider Croatia's borders inviolable? Would you try to reconquer such territories if necessary?

[Separovic] We will not accept a defeat. We will fight to the last man. We have suffered a lot, in particular today, when Dubrovnik was attacked from the air, sea, and land. The same happened in Zadar and other cities. We will not accept capitulation. What we need is international support. After Vienna, I am going to visit The Hague and—at the invitation of Lord Carrington—attend the conference there. We are still hoping that, on an international level, it will be possible to do much more.

[Hochner] What exactly do you expect from the international community of states, and in particular from the peace conference in The Hague?

[Separovic] The peace conference in The Hague—actually it is called the conference on Yugoslavia, which is wrong. The conference should actually discuss peace, but the war is continuing and has even escalated. The situation at home in Yugoslavia is now even worse than before. Therefore, we expect much more from the United Nations, from the Security Council. Secretary of State Baker left no doubt about who is the aggressor, namely the Army and the Serbs. They are fighting on Croatian territory, and they are fighting for a smaller Yugoslavia or a greater Serbia. That is not acceptable. No use of force, no recognition of borders that were changed through the use of force. Violence will not be rewarded. These are internationally recognized principles, for which we will fight. We will ask the world to understand that this is a true, dirty, violent war, and that it is the worst and most severe war on European soil after World War II, and that the world must no longer remain silent and simply watch what is going on and draw up nice resolutions. It is necessary to take decisive action. The Yugoslav Army represents belligerent communism in Yugoslavia, it is a brutal military power. It employs all its heavy arms in the fight against a people. What we are demanding, and what was demanded by Germany and Italy before, is not only that the Army return to the barracks, but pull out of the country, out of Croatia. They did so in the case of Slovenia. Otherwise, they would have once more to have Yugoslavia and come back to Spielfeld, to this border. [sentence as heard] We hope that this cannot happen.

[Hochner] Minister, in the ultimatum—parts of which you read to us—the Federal Army has accused you—the Croatian Armed Forces—of continuing your blockade or capture of barracks in contravention of the 22 September cease-fire regulations. With its actions, has Croatia not

provided the Federal Army the pretext it needed to be able to intervene once again?

[Separovic] No, we were attacked and had to defend ourselves. We were unarmed. Should we have proved our will for peace by not defending ourselves and being slaughtered? Certainly not. Many of those barracks surrender voluntarily. There was fighting, there was provocation from those who are not interested in a peaceful solution. Of course, we reject such actions. The government is trying to do everything to stop those who take steps of their own, fight and do other things. For example, the day before yesterday at Bjelovar, there was provocation by an agent who was sent by the Army, and who caused a conflict. We certainly did not want that. We are getting closer and closer to October 7.

[Hochner] What is going to happen on 7 October?

[Separovic] October 7 is the last day of the 90-day moratorium. After that we will demand that the moratorium not be extended. We will then implement our declaration of independence. The independent, sovereign state of Croatia will certainly continue, which opens the door for recognition. What we need is recognition. Austria has promised us recognition. Other countries are willing to do the same.

A short time ago I visited Reykjavik, Iceland. Mr. Hannibalsson, a colleague of mine, is ready for the small state, which is after all a NATO member, as one of the representatives of various countries... [sentence as heard] Austria, but also Argentina, Australia, Canada, Belgium, maybe Denmark, Germany, and the others might take joint action and maybe finally decide in favor of recognizing Slovenia and Croatia.

[Hochner] Minister Separovic, thank you very much for the interview. I wish you and your fellow citizens all the best.

[Separovic] Thank you very much.

Assembly Bans Exports, Amends Defense Law 1 Oct

LD0110210891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1926 GMT 1 Oct 91

[Text] Zagreb, 1 Oct (TANJUG)—During its afternoon session the government of the Republic of Croatia adopted a decision banning export and commodity trade outside the territory of the Republic of Croatia.

As a result of this decision, and on the basis of balance sheet indices, export and sale outside Croatia of mercantile wheat, wheat flour and pasta, sugar beet and sugar, oil-bearing plants, raw and refined edible oil, corn for animal feed purposes, fresh meat and milk are banned. In exceptional cases, should specific deliveries have been contracted, and payment or counter-deliveries of strategic goods secured, export or sale will be made possible under the control of appropriate republican organs.

The government also forwarded to the Croatian Assembly draft changes and amendments to the republican defense law which transpire from practical experience, and from the fact that the Republic of Croatia is a sovereign and independent state. It is proposed that "the composition of the Supreme Command be prescribed by the president of the republic." The National Guard Corps is part of the Armed Forces "as a symbol of the historic tradition of the Republic of Croatia," and the reserve units of the National Guard Corps have been transferred to the reserve units of the Croatian Army. The Republic of Croatia Civil Defense Headquarters will be under the Defense Ministry until 1 January 1992. Moreover, it has been proposed that all the regulations having their origin in the "confederal defense system" be expunged from the law.

A bill on establishing the number of wartime and post-war victims of World War II has also been sent to the Croatian Assembly. The result of the application of this law, which treats the victims cumulatively regardless of their membership of individual formations, will have an impact on that number, and on our present knowledge of World War II and of the victims of the post-war period, stresses the explanation presented with the bill.

The Croatian Government also passed a decision banning the use and transfer of assets by specific legal entities on the territory of the Republic of Croatia. This regulation regulates specific questions which are important for the "protection of the economic interests of the Republic of Croatia threatened by one-sided actions by certain people outside the republic," says the explanation accompanying the text of the regulation.

In addition, the Croatian Government has approved a statement in connection with the detention of Reis-ul-Ulema Selimovski, president of the Yugoslav Islamic Community; Dr. Redjep Boja, president of the Islamic Community in Kosovo, Serbia, and Vojvodina; and 44 other senior Islamic community officials—stressing that "this is yet another mindless act by Serbian police in occupied Kosovo." The Croatian Government is protesting most vehemently, and is expressing its solidarity with the victims of the violence and all Islamic community members.

Bosnia Asked To Prevent Army's Use of Territory

LD0110194991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1823 GMT 1 Oct 91

[Text] Zagreb, 1 Oct (TANJUG)—Following its session this afternoon the Croatian Government sent a request to the Republic of Bosnia-Hercegovina Government to "do everything in its power to prevent and halt the unlawful use of the territory of Bosnia- Hercegovina for attacks on the Republic of Croatia and transporting aggressor units to it."

At the same time, the Croatian Government supports and joins in the Bosnia-Hercegovina Government's request for "the replacement of Lieutenant General

Nikola Uzelac, commander of the Banja Luka Corps, and of all the Yugoslav People's Army [YPA] officers who continue to carry out actions from the territory of the Republic of Bosnia- Hercegovina in order to continue the aggression against the Republic of Croatia," the Croatian Government statement concludes.

Soldiers' Parents, YPA Volunteers Depart for Croatia

LD0110191391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1435 GMT 1 Oct 91

[Text] Loznica, 1 Oct (TANJUG)—A column of seven buses carrying some 400 parents and relatives of members of the Loznica combat unit deployed in the region of Banija (Croatia) this afternoon left Loznica for Glina. Their intention is to find out on the spot which reservists wish to come back home. The coaches are also carrying volunteers on their way to join the Yugoslav People's Army units.

At the same time a group of parents and relatives has remained in Loznica to await the arrival of representatives from the Federal Secretariat for National Defense and the Serbian Ministry of Defense, who are coming to Loznica for talks about the return of reservists from this municipality.

Zagreb Denies Agreement on Civilians Employed by Military

LD0110112791 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 1 Oct 91

[Text] In the crisis headquarters of the city of Zagreb, the existence of any kind of agreement with the Fifth Military District Headquarters, concerning attendance at work by civilians employed by military institutions, was denied. In a statement for listeners of Radio Croatia, a representative of the crisis headquarters said that barracks and military facilities continue to be blockaded. In view of the fact that access to them is impossible, employees cannot go to work because of circumstances beyond their control. Therefore, there is no question of applying punitive measures against them.

Forces Respond to Artillery Attacks on Dubrovnik

LD0110163191 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 1 Oct 91

[Text] Artillery attacks by Chetnik-terrorist forces from Ivanjica in the Trebinje municipalities, and by the federal Army from Navy ships, on civilian and other facilities in the Dubrovnik municipality have been going on since early this morning. The villages of Vitaljina, Zupa Dubrovacka, Komolac, Gornji Brgat, and Donji Brgat came under attack. Powerful explosions have reverberated in the Old Town.

The enemy has chosen churches, the television transmitter at Srdj, and private houses as its targets. Croatian defense forces are responding with fierce fire, and are holding firmly on to their defense positions. The population is in shelters.

Army Advances Toward Center of Vukovar

AU0110173191 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 1 Oct 91

[Milena Markovic report from Vukovar]

[Excerpt] The Yugoslav People's Army is acting seriously, and there is no more joking with it here in Vukovar. Irritated by the fact that it has lost nearly 100 men by being (?passive), either through someone's mistake or intention, the Army decided to launch an attack in the direction of the center of Vukovar. It has left the positions held before the truce and set off in that direction. Armored mechanized units supported by the Air Force and the river fleet today opened fire on the Ustasha strongholds in [the Vukovar suburbs of] Zubik and Mitvica. The units of the Territorial Defense of Brsadin launched an attack at the same time. The target of their attack was the road between Vinkovci and Osijek, which, judging by everything, will be cut off by tonight.

Today at about 1000 and 1400, the Vukovar barracks were attacked. Members of the Croatian Ministry of Internal Affairs and the Territorial Defense are using smoke bombs for the first time in order to clear passage for the security units. Both attacks were successfully repelled.

At the same time, a fierce mortar attack was launched on liberated Negoslavci. The target was the village hospital caring for those wounded on the Vukovar front. Fortunately, the mortars were not accurate.

As I am reporting, Tudjman's soldiers are continuing their attacks on the Army units in Vukovar. [passage omitted]

Osijek Experiences 'One of Worst Days'

AU0110185291 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 1 Oct 91

[Report by Ratko Stevic—recorded]

[Excerpts] Osijek and its surroundings suffered one of the worst days of the war today. The rain is pouring incessantly, and, along with thunder, strong explosions and shooting can be heard. Many grenades have fallen on the very center of town, which has forced local residents to return to the shelters. There was some fierce fighting in the town's suburbs, and, as a result of explosions, a fire that has since been brought under control broke out. The material damage is enormous, three persons died, and 17 sustained minor and grave injuries.

The two main strongholds of the Croatian guardsmen in (?Antil) and (?Korad) have fallen, and now a fierce battle is being fought for Laslovo, which is just about to be

conquered by the [Serbian] territorials and the units of the Yugoslav People's Army. Battles are also being fought around Tenja, Bjelo Brdo, and Sarvas. The Baranja defenders have been shot at, and shooting could also be heard around Belisce and Valpovo. Great damage was caused to the [agricultural] plant in Belisce. In the meantime, the Croatian authorities in Osijek, who have provoked all these horrors with their irrational politics, were in the Osijek cathedral attending the charity concert given by the Croatian Philharmonic for the brave defenders of this town in Slavonia, although there have not been any defenders in sight on the battlefields for days. They are fleeing everywhere. [passage omitted]

In news that has just been received: In the clashes between members of the Baranja Territorial Defense and the infiltrated Croat saboteurs and terrorists near (?Borijanci), 27 of them have been liquidated and many wounded. They are still being sought in the woods on the Yugoslav-Hungarian border. [passage omitted]

Federal Army Captures Croatian Stronghold Near Okucani

LD0110200291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1727 GMT 1 Oct 91

[Excerpts] Zagreb, Okucani, Osijek, 1 Oct (TANJUG)—The territorials and the Yugoslav People's Army today established control over the village of Gornji Bogicevci, near Okucani. This was reported today at Okucani Territorial Defense Headquarters.

The village has been one of the strongest strongholds of the Croatian forces in this part of the Republic. Territorial Defense Headquarters said that Croatian forces have pulled out and are digging in at new positions, expecting reinforcements.

A TANJUG correspondent reports that mortar fire was repeatedly opened up by the Croatian side on the villages under the slopes of Mt. Kozara. Army and territorial positions in the Stara Gradiska area were pounded just after 1600.

The Okucani territorials, the TANJUG correspondent reports, received an appeal by the Orthodox diocese in Pakrac seeking protection of the church and the bishop's residence there, which are occupied by the Croatian forces. The appeal states that the interior of the church and valuable old books have been set on fire, and that machine gun emplacements have been installed in the church tower. There has been no response, says the appeal, to the requests made to the Catholic Church and to Croatian forces.

Quoting Serbian sources, the TANJUG correspondent says that during the past 24 hours 36 Serbian territorials were wounded during the clashes in Western Slavonia. Two reservists were killed.

According to Radio Belgrade, Croatian forces in Pakrac had 270 wounded and killed; Croatian radio has not given any details.

There have also been clashes near Novska and Nova Gradiska [about 30 km northwest and east of Okucani, respectively]. Croatian forces were pushed back in the direction of these towns over 10 days ago. [passage omitted]

It has been learned from military sources that YPA units and the territorials are stepping up pressure on the Croatian forces surrounded in Vukovar. Radio Belgrade has announced that the Vukovar-Vinkovci road will be cut soon, with the result that Vukovar will be cut off completely.

There is no reliable news about events in Dubrovnik and the surrounding area because telephone lines have been cut. [passage omitted]

Croatians Push Back Infantry Attack on Eastern Vukovar

LD0110193691 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 1 Oct 91

[Text] Battles still rage around Vukovar. The town's center was under heavy attack this morning. Eastern Vukovar was bombed again and an infantry attack there was repelled. During today's attack on Bogdanovci, which also was repelled, the enemy suffered heavy losses. Borovo Naselje was under attack, too, but Croatian defense forces were ready and took on the aggressor.

A new flashpoint opened in Vukovar [word indistinct], which was under heavy artillery attack [words indistinct]. By 1400, 22 injured people, nine of whom were seriously hurt, were brought to Vukovar Hospital.

We repeat once more that [words indistinct] succeeded in destroying the positions the army of occupation held near Brsadin, as a result of which a new line of communication was opened up with Vukovar.

'Powerful Explosions' Shake Osijek

LD0210075591 Zagreb Radio Croatia Network in Serbo-Croatian 0730 GMT 2 Oct 91

[Text] Early this morning powerful explosions shook Osijek. The outskirts of the city came under mortar attack from Stara Tenja. Mortar fire began last night from the same Chetnik stronghold on the villages of Tenjski Antunovac and Ernestinovo.

Army Ends Occupation of Brioni Islands

LD0210075991 Zagreb Radio Croatia Network in Serbo-Croatian 0600 GMT 2 Oct 91

[Text] The Yugoslav Army has left the Island of Vanga, its last stronghold on the Islands of Brioni. This is the result of intensive talks between the Croatian Government and the federal authorities. Brioni National Park is

ow a military-free zone. From 15 October it will be a ublic enterprise under the control of the Croatian Government.

5 Army Soldiers Killed in Gorice Battle

LD0210082991 Zagreb Radio Croatia Network in Serbo-Croatian 0730 GMT 2 Oct 91

[Text] Although last night was unusually peaceful in Nova Gradiska, the citizens spent the night in shelters. Last night the village of Gorice, where Croatian soldiers were stationed, was attacked. After a heavy infantry and artillery attack members of the Croatian National Guard Corps withdrew to their reserve positions and fiercely returned fire. Fifteen enemy soldiers and reservists were killed and several dozen sustained injuries. Seven Croatian soldiers were injured. The Western Slavonija battlefields are peaceful now.

Croat Forces Reportedly Hold 150 Hostage Near Okucani

LD0210092791 Belgrade Radio Belgrade Network in Serbo-Croatian 0900 GMT 2 Oct 91

[Text] Members of the Croatian military formations are holding about 150 elderly people, women, and children as hostages in the village of Poljane, between Nova Gradiska and Okucani. These civilians are positioned in such a way as to form a shield for the members of the [Croatian] Ministry of Internal Affairs who are acting against units of the Yugoslav People's Army and the Territorial Defense.

In this way Croatian democracy has once again come into sharp conflict with the civilized achievements of the modern world and the conventions adopted many decades ago.

Croatians Defending Vukovar Destroys 15 Tanks

LD0210104991 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 2 Oct 91

[Text] We have learned from the crisis headquarters in Vukovar that a heavy attack on Vukovar by an armored battalion from the direction of Negoslavci is under way. According to the commander of the defense of Vukovar, the Croatian army has so far destroyed 15 tanks.

Serbia

Albanian Students To Stage Daily Demonstrations

LD0210102591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1511 GMT 1 Oct 91

[Text] Pristina, 1 Oct (TANJUG)—The leadership of the Albanian Coordination Committee for Education announced at its news conference today that "peaceful protest demonstrations will be staged every day by students, teachers, and ethnic Albanian parents."

Participants in the protest demonstrations, it was stated, "will be expressing their revolt over the ban on education in the Albanian language" for two hours every day outside educational institutions throughout Kosovo and Metohija, in places where their demonstrations will not disturb public peace and order.

It was stressed at the news conference that the committee proposed that no primary school pupils in the first four grades should attend school "as long as the protest demonstrations last." The demonstrations will go on "until Serbia abolishes all its measures imposed on Albanian schools."

According to Pajazit Nusi, one of the committee leaders, "all pupils and students" today responded to the demand of this committee regarding the beginning of education in the Albanian language. However, he said, while primary school pupils are mostly allowed to start school, secondary school pupils and students cannot enter their schools and universities. This, he said, had led to minor incidents between them and members of the security organs.

In answer to a comment that the official bodies enable ethnic Albanian primary school children to attend school, on condition that they take the examination in Serbo-Croatian during the school year, it was said that "education is indivisible" and that Serbia intends to abolish first university education and then all education in the Albanian language.

Serbian Renaissance Leader Interviewed

LD0210022191 Budapest Kossuth Radio Network in Hungarian 2100 GMT 1 Oct 91

[Interview with Jovan Marijanovic, deputy chairman of the Serbian Renaissance Movement, by Vilmos Kovacs; date and place not given—Marijanovic speaks in Serbo-Croatian with simultaneous Hungarian translation—recorded]

[Text] [Kovacs] The battles in Yugoslavia are getting more and more fierce. What is your view of the war?

[Marijanovic] From the very beginning we have been urging that there be no bloodshed. Since the battles began we have been doing everything in our power to stop them. The country is in ruins and many people are lost, so reason should triumph over emotions.

[Kovacs] You are maintaining that the Serbs in Croatia are in danger, but if my understanding is right, you do not wish to solve the disputes using arms.

[Marijanovic] Indeed, it is our opinion that the situation of the Serbs in Croatia is serious, because their survival is in jeopardy. The Serbian government is right in this, although they have made plenty of other mistakes. My view is that the government realizes this; therefore, we are supporting the Serbian cabinet and are avoiding confrontation with the Socialist Party in power. The

government should settle this tragic situation through negotiations and together with the real friends of the Serbian and Croatian people.

[Kovacs] Yes, but the Army is also involved in the crisis.

[Marianovic] If the Army would have fulfilled its constitutional role at the beginning, it would not have gotten into this situation. I can resolutely state this. Unfortunately, the responsible leaders of the Army themselves were not clear about what was forced upon them; therefore, the Army is still a political factor to a certain extent. Probably this will be understood in the Army, or they will get into a situation when they will have to understand that they have to give up political influence.

[Kovacs] Is it possible to maintain Yugoslavia in some form after the war?

[Marianovic] This depends on the further negotiations and whether they will end the bloodshed. We will remain neighbors with the Croats and form a certain community. This is how I look upon the relationship of Hungary and Serbia also, mostly because Magyars and Serbs live in both countries. My opinion is that we belong to Europe and to the world community, therefore, we have mutual responsibility for the situation both on the continent and in Yugoslavia. Hungary, and every neighboring state, can do a lot for the solution of the crisis. Hungary has to strive most of all to show that the preservation of the peace and good-neighborly relations are the most important for that country. I think that a few statements by Mr. Antall and Mr. Jeszenszky are not based on facts. However, I would not cast aside the discussion of the disputed questions, all the more because there are no people in the world with whom we Serbs cannot come to an agreement. In this case, it is the question of the Magyars living in Serbia.

Serbian Assembly Starts 2d Regular Session

AU0110115091 Belgrade Radio Belgrade Network in Serbo-Croatian 1100 GMT 1 Oct 91

[Text] The second regular session of the National Assembly of Serbia started today. Our reporter Radovan Pantovic has the details:

[Begin Pantovic recording] The Serbian Assembly has been in recess here for about 10 minutes and the session is scheduled to resume at 1400 [1300 GMT]. The deputies have so far adopted the agenda, as well as several proposed laws and decisions.

Assembly committees will meet during the recess. It is expected that when the session resumes, the Committee for Constitutional Issues will submit a report on changing the constitutional law for the implementation of the constitution of Serbia, which would make possible a discussion on changing state symbols and the return of the Karadjordjevic family to the country.

The assembly adopted the proposal for the Defense Ministry to prepare a report on the situation in the war zone and this report will probably be submitted tomorrow at a closed session. Milan Paroski proposed that the assembly charge the President with taking over the supreme command of Serbia, and this subject will be discussed at tomorrow's session.

This is all from the Serbian Assembly.

'Several Thousand' in Loznica Protest Army Draft

AU0110133291 Belgrade Radio Belgrade Network in Serbo-Croatian 2100 GMT 30 Sep 91

[Text] Several thousand parents and relatives of Loznica army draftees have gathered in front of the local Sports Center demanding that a Yugoslav People's Army official address them and explain the point and aims of the present engagement of draftees.

The parents were addressed by Lieutenant Dobrivoje Jankovic who pointed out that traitors in the ranks of the Yugoslav People's Army officers will not escape a justified condemnation. He added that a part of the Loznica war units is going to return from Banja Luka tomorrow and that buses have already been sent to pick them up.

Frequently interrupted by shouts of protest, Lieutenant Jankovic called on the people present to maintain order and peace, but militia had to protect him from a group of the most aggressive people.

Protesters standing in front of the Loznica Sports Center later moved in front of the Communal Assembly building and were still there at 1900 [1800 GMT].

Novi Sad Military Command Calls for Volunteers

LD0110160891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1215 GMT 1 Oct 91

[Text] Novi Sad, 1 Oct (TANJUG)—The command of the Novi Sad military sector issued a call to all citizens living or staying in the territory of Vojvodina to report voluntarily to municipal secretariats for national defense.

The call applies to all persons between the ages of 20 to 50 who have not been registered with municipal secretariats for national defense and want to take part in war activities as volunteers.

Municipal secretariats for national defense will register all volunteers, and send them directly to the Slobodan Bajic-Paja barracks in Novi Sad. The volunteers will be sent to battle zones in accordance with needs of war units of the Armed Forces, a statement of the command of the Novi Sad military sector, which was forwarded to public information media today, says.

Bosnia-Hercegovina

Casualties Reported in Clash Near Slano

LD0210003791 Belgrade TANJUG Domestic Service in Serbo-Croatian 2211 GMT 1 Oct 91

[Excerpt] Nevesinje, 1 Oct (TANJUG)—The Uzice Corps command has confirmed that an armed clash occurred tonight in the village of Cetikuca near Slano between the units of this corps and Croatian paramilitary formations. The same military source reported that both sides suffered casualties in the clash. [passage omitted]

Dubrovnik Under Attack, Transformer Destroyed

LD0210003291 Zagreb Radio Croatia Network in Serbo-Croatian 2300 GMT 1 Oct 91

[Text] The barbarians have attacked Dubrovnik, but let us hope that where the Turks did not succeed, Adzic and company will not either. The occupation army has blockaded the entire region from Debeli Brijeg to the border with Bosnia-Hercegovina at Neum. The main transformer station has been destroyed. There is no electricity or water.

It is not known how many civilians have been killed, but there are at least 20 wounded. Dubrovnik and vicinity have come under attack from sea, land, and air. Shells have been flying over the old city center, a part of the world's cultural heritage. The radio tower on Srd [hill behind Dubrovnik], which served both as a receiver for radio and television programs and for telecommunications, has been hit. Fragments of shells have also fallen close to the famous Hotel Argentina. The bridge over Rijeka Dubrovacka and the region of Mokosica, where 15,000 people live, have been bombed. Fires are raging throughout the Dubrovnik region.

Cannon Fire Continues Overnight

LD0210073291 Zagreb Radio Croatia Network in Serbo-Croatian 0600 GMT 2 Oct 91

[Text] The occupation army did not halt its cannon attacks on Dubrovnik last night from the Trebinje and Herceg-Novi areas and from battleships anchored in front of the Dubrovnik municipality. Konavli and Zupa Dubrovacka suffered the heaviest attacks. Grenades hit churches, hotels, an airport, a yacht marina, gas stations, the Adriatic highway, family homes, and other facilities including those close to the old town of Dubrovnik. Cannon grenades also hit the island of Lokrum. All infantry attacks were repelled by the Croatian army.

Offensive Continues

AU0210092491 Belgrade Radio Belgrade Network in Serbo-Croatian 0830 GMT 2 Oct 91

[Jagos Stojanovic report from Titograd—live or recorded]

[Text] The surrender of enemy forces in Dubrovnik is the aim of today's battles around this town. Hercegovina forces and Army units from Montenegro have so far suffered 10 dead and more than 40 wounded. They are operating in the Zupci-Ubli direction and from Ravno to the sea.

Since 0500 this morning, units of the Boka Naval Sector have been successfully continuing their offensive actions from land, sea, and air and they have pushed the enemy deep into Konavlje.

The Dubrovnik Ministry of Internal Affairs is expected to be flying a white flag today. In the aforementioned positions, they have already lost between 600 and 700 fighters, mainly from artillery fire. Dubrovnik is being subjected to serious destruction.

At the moment, the Titograd corps is calling on military conscripts of the 2331 Army unit to urgently go to assembly centers for dispatch to their positions.

This is all from Titograd.

Fighting Reported Around Trebinje

AU0110194091 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 1 Oct 91

[Milivoje Bekan report from Trebinje—recorded]

[Excerpt] The sound of gunfire, which was heard in Trebinje from nearby battlefields this morning and which instilled a war psychosis in this town, subsided around 1300 but did not stop. It can still be heard, and, if anything, it is somewhat more intensive now.

There is no official information about today's clashes yet. The president of the communal assembly and president of the local defense council, Bozidar (?Votvorevic), addressed the citizens via Radio Trebinje this afternoon. He warned them about the gravity of the situation in which people are getting killed. He stressed that the Yugoslav People's Army is the guarantor of survival in this area and asked all those who are able to join its ranks.

Classes in Trebinje schools were suspended today until further notice. Citizens also were asked to avoid gathering in large groups. [passage omitted]

Macedonia

Concerned Over Presence of Serb Reservists

AU0110211091 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 1 Oct 91

[Branka Naneska report from Skopje—recorded]

[Excerpt] The war that has been raging in the country is also slowly but surely rousing spirits in Macedonia, and creating a war atmosphere in this oasis of peace, as they like to call it. Skopje, Tetovo, Gostivar, Titov Veles,

Kumanovo, Kriva Palanka, and Krivolak are full of reservists from Serbia who, according to the Third Military District, are here for regular training.

Ordinary citizens are wondering about what is going on here. They are very anxious because of unusual preparations that have been going on in the barracks. For instance, witnesses from Ohrid today claimed that trenches are being dug around the barracks, that special fortifications are being built, and warehouses guarded. All this is happening after the Serbian Assembly recently said that a third front could be opened soon.

Everyone here wants the reservists to leave Macedonia. Young people from Titov Veles and Ohrid are particularly anxious. Today they received call-up orders from the military authorities, along with the threat that they will be arrested and criminally prosecuted if they do not respond. They do not know what to do.

The Macedonian Government and the republican Ministry for National Defense advised them to be calm and not accept any calls from the Yugoslav People's Army. The parents of these young men were told again that Macedonia does not recognize this war and that it will not take part in it.

While the Macedonian Government is preoccupied with politics, the discontent of workers is growing. Production is falling, (?wages) are not being paid. [passage omitted]

Macedonian President Views Republic's Situation

AU3009095691 Budapest NEPSZABADSAG in Hungarian 26 Sep 91 pp 1,2

[Interview with President Kiro Gligorov by Oszkar Fuzes in Budapest on 25 September: "The Most Important Thing Is Instant Peace"]

[Text] On 25 September, Kiro Gligorov held negotiations with Hungarian President Arpad Goncz and Hungarian Prime Minister Jozsef Antall, and he also met the Parliamentary Foreign Affairs Committee. Following that, Gligorov, president of a Yugoslav federated republic with 2 million people, gave an exclusive interview to NEPSZABADSAG.

[Fuzes] What is the situation in Macedonia after the referendum that declared independence? How could this affect the prospects of a possible new Yugoslav federation?

[Gligorov] The overwhelming majority of people who voted said yes to Macedonia becoming an independent and sovereign state with the possibility of joining a Yugoslav federation consisting of sovereign states. This is what we are implementing now. We are willing to discuss the new Yugoslav community with anyone—conscious of the fact that the current federation cannot be maintained by any means. However, this is not the most important thing at the moment; the most important thing is to stop the fighting. Dialogue has to be started immediately to decide what our common interests are and how we can be useful to each other.

[Fuzes] Do the various parts of Yugoslavia have any common interests left?

[Gligorov] Naturally. Geographical positions cannot be changed by anyone and the various peoples have to continue to live next to each other. We cannot succeed without each other, but at the same time, it is also a problem when our own interests are violated in the interest of some common cause. However, the interests of the parts can be coordinated in such a way that they will all succeed better. Countries that have freed themselves from socialism have to join European integration together and not to the detriment of the others. The use of—to put it mildly—outdated means like the armed forces is only seemingly suitable to enforce real interests. Therefore, we are not even sending soldiers to the Federal Army.

[Fuzes] You are one of the co-authors of the Macedonian- Bosnian proposal for settlement of the crisis. Do you still have any hope of implementing this proposal?

[Gligorov] With certain corrections, this could also be one of the feasible proposals. It could be suitable for the formation of a more modern Yugoslavia. Turning the crisis into an international affair is a double-edged sword....

[Fuzes] What is the situation of the Albanian minority in Macedonia?

[Gligorov] We have a continuous dialogue. Two ministers of our republic's government are from the two political parties of the Albanians in Macedonia. We start from the premise that without the ethnic Albanians, we cannot make any decisions that affect their situation. National minority rights have to be guaranteed for every national minority in our multi-cultural republic according to the best European standards.

[Fuzes] How do you evaluate the Bulgarian view that recognizes the Macedonian state but does not recognize the existence of a Macedonian nation?

[Gligorov] This is a rather serious contradiction. Macedonians not "only" have a state, they also have all the attributes of language, consciousness, culture, and other qualities that distinguish a nation from another. It is better to admit this fact than to deny it. It is good that Bulgaria recognizes our state. The fear that the recognition of the Macedonian nation would encourage us to make territorial demands on Bulgaria or Greece is unfounded. We declared in a parliamentary decision that we have no territorial demands on any country, and that our aim and our primary interest is to have open borders and good neighborly relations.

[Fuzes] Many Bulgarians consider Macedonians to be part of the Bulgarian nation.

[Gligorov] This is not only a Bulgarian opinion, because there are also Serbs who consider us to be a province of Serbia. It is time for people to free themselves of historical myths and nostalgic feelings.

[Fuzes] What sort of relations does Macedonia have with Slovenia and Croatia?

[Gligorov] I cannot say anything special about this issue. We have no reason to treat the various republics differently from each other.

[Fuzes] How do you see the future of Macedonian-Hungarian relations?

[Gligorov] Our negotiations were very useful; our views are very similar in many areas, for example in urging a peaceful solution to the Yugoslav conflict. We would like to develop bilateral relations in a way that would not cause disadvantages to any third parties.

Montenegro

Mobilizations, Refugee Aid Reported

AU0110180491 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 1 Oct 91

[Report by Jagos Stojanovic from Titograd—recorded]

[Text] Although battles with only occasional lulls are being waged at the far western borders of the republic—from where you get regular reports by my colleagues—all of Montenegro shares an embattled atmosphere, where condemnations of treason are heard and aid is distributed to an increasing number of refugees.

All last night, the sound of gunfire resonated throughout Titograd. We have learned that those were shots fired by jubilant reservists who were leaving in long motorized columns and hurrying toward Prevlaka and Debeli Brijeg to finally stop members of the [Croatian] Ministry of Internal Affairs, Kurd mercenaries, and others—particularly 2,000 members of Black Shirt units from western Hercegovina—from attacking Boka. They say that one has waited long enough for the Dubrovnik side to see reason, so one should no longer waste words but use grenades. There seem to have been some unreasonable acts during this shooting, so, although there has been no official statement, a Titograd mosque has been damaged [word indistinct], something that justifiably caused both condemnation and surprise.

In a report entitled "Disarray in the Top Leadership of the Boka Naval Sector," the Titograd press says—although there has been no official confirmation—that the head of the sector, Ivan (?Maljicic), and Barracks Commander [name indistinct], as well as about (?30) other officers and noncommissioned officers, have been arrested. It is known for sure that about 20 soldiers, ethnic Croats and Muslims, have left the units recently.

By the way, the Montenegrin National Party does not recognize the present administrative border with Croatia and officially demands that territories from which members of the [Croatian] Ministry of Internal Affairs are (?threatening) Montenegro should be occupied. The National Party has no confidence in the Army, either, and Hercegnovi veterans have condemned all pacifists who claim that courage means not going to war. They therefore demand the replacement of Vlado Kapicic, head of the Montenegrin Veterans Organization, who, as they say, did not say anything at the time Croatian fighters were arming themselves. At the same time, they demand the resignation of Stjepan Mesic, (?hybrid) president of the SFRY Presidency, and, of course, Ante Markovic as well.

About 2,550 refugees from crisis areas have been accommodated in Montenegro. Among other things, they have received one-time grants of 7,000 dinars each. Health insurance and schools for children have also been provided.

Reservists Mobilized

LD0210085291 Belgrade TANJUG Domestic Service in Serbo-Croatian 0835 GMT 2 Oct 91

[Text] Titograd, 2 Oct (TANJUG)—In connection with the current situation in Yugoslavia and in order to implement an order by the Supreme Command Headquarters, the Command of the Titograd Corps this morning called up reservists of war unit 2331 immediately to come to their mobilization point with full army equipment.

The mobilization call-up for this unit was communicated through Montenegrin Radio.